

PwC Azerbaijan Times

Issue №3

Overview of this Issue:

- **Amendment on regulations on trade, public catering, household services and other type of services**
- **Regulations on categorisation of lands and their transfer from one category to another category**



For any questions related to the information included herein, please contact

Aysel Suleymanova

Marketing & Communications Manager

aysel.suleymanova@az.pwc.com

PwC Azerbaijan

The Landmark Office Plaza III | 12th Floor
90A Nizami Street
AZ1010 Baku | Azerbaijan

Tel: +994 12 497 2515
Fax: +994 12 497 7411

www.pwc.com/az



© 2017 PwC. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. No representation/warranty is given as to the accuracy or completeness of the information in the publication. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

Amendment on regulations on trade, public catering, household services and other type of services

Amendment defines agricultural cooperative market as the market of agricultural products regulated by legal entity registered by the state as agricultural cooperative.

The trading places to the agricultural cooperatives will be provided on the basis of a contract signed between market owner and agricultural cooperative. In order to sign such contract agricultural cooperative has to submit its request to the market owner.

The market owner will consider the request within ten (10) working days and make a decision (consent or substantiated refusal).

In order to obtain a plot of land for use or lease for organization of sale networks (agrarian shops, green markets, agricultural cooperative markets and wholesale centres) agricultural cooperatives must apply to the local executive bodies or municipal authority. Then, the local executive bodies or municipal authorities take into consideration the

land use planning documents including engineering and communications support and infrastructure opportunities and adopt a decision (consent or substantiated refusal) regarding the request within a period of one (1) month.

In order to obtain a building or a non-residential area for use or lease agricultural cooperatives apply to the superintendent of state property – State Committee on Property Issues or municipal authorities. The State Committee on Property Issues will consider the request within twenty (20) day period and adopt a resolution regarding this request. The municipal authority will consider the issue of use or lease of its own facilities within twenty (20) day period and provide official response.

The agricultural cooperatives should determine the working regime at the sale networks, the types and places of the products to be sold, provide the sellers with the trading places and measuring devices and render other services in the area (area clean-up operations, veterinary and phyto-sanitary surveillance and disease control measures and etc.).

PwC Azerbaijan Times

Issue №3

Regulations on categorisation of lands and their transfer from one category to another category

Categorisation of lands and their transfer from one category to another implemented by the resolution of the Cabinet of Ministers.

According to the new rules:

- lands belonging to **aquaculture** category must be preserved in their current category;
- sale, purchase, mortgaging and performing other transactions that may lead to the expropriation of **forestlands** and of other lands of this category, which may result in the use of these lands for other purposes, and may transfer them to another category is not allowed;
- areas used agriculturally are specifically protected and their transfer to another category for non-agricultural purposes is allowed only in exceptional cases.

Categorisation of lands and the basis for their transfer from one category to another consist of the following:

- construction of ports, railways and motor roads;
- creation of borderland for reliable protection of the state border;
- creation of industrial facilities, areas (quarters and parks);
- necessity to use the reserve fund lands;
- involvement of surrounding territories to cultivation cycle for creation of agro parks, farms and agricultural enterprises using advanced technologies;
- transfer of surrounding territories to the forest lands for creation of forest belts and green spaces;
- provision of surrounding territories for specifically protected areas of nature (including national parks, state reserves, preserves etc.) to preserve biodiversity;

- construction of the main line engineering and communication support systems, amelioration and water economy facilities and hydro technical devices;
- substitution of lands of residential settlements subject to exogenous geologic processes;
- allocation of surrounding territories in accordance with area planning documents for the building of new residential quarters (settlements) or development (enlargement) of existing residential settlements;
- creation of historical and cultural, natural reserves and recreation areas, population recreation organization, development of tourism, construction of sport and other social facilities;
- requests of the owners related to more efficient economic use of lands in private ownership.