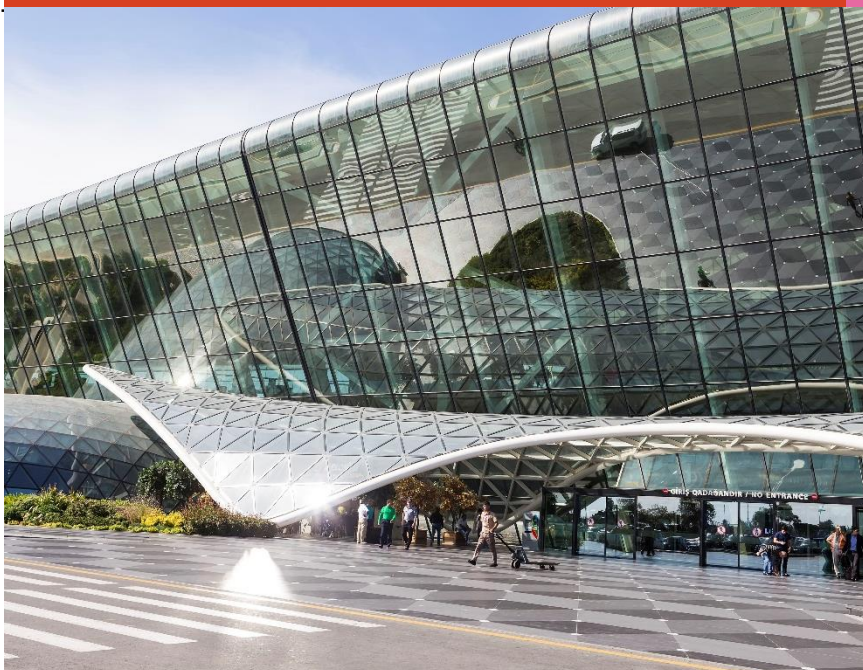


Overview of this Issue:

- **The regulations for non-performing (toxic) assets**



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.

The regulations for non-performing (toxic) assets

These regulations are one of the important steps of the implementation of Strategic Road Map on the development of financial services. According to the new Regulations, the non-performing (toxic) assets are pledged assets in line with the regulatory acts of Financial Markets Supervision Chamber.

The opinion of Financial Markets Supervision Chamber on the assets considered toxic by the bank should be obtained 20 days prior to submission of these toxic assets.

Also, the Regulations indicate minimum requirements of contract submission on non-performing assets (for example, the contract should include amount, parties rights, obligations, etc.)

In addition, the Regulations have been prepared in line with article 164.1.36 of the Tax Code. According

to this clause, submission of non-performing (toxic) assets are implemented from 1 January 2017, for a 3 year period.