

# PwC Azerbaijan Times

## Issue №19

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- **Amendments to the Law on State Duties**
- **The Action plan on improvement of Business Environment**
- **Draft Law on Amendments to the Labour Code**
- **Decree on acceleration of creation of free trade zones**



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### **Amendments to the Law on State Duties**

According to the amendments, state duty in the amount of AZN 20 has been set for obtaining certificates of compliance of goods (services and work), process, management system and staff with requirements defined by standards, technical regulations and legal acts.

Agency certifying compliance (an agency holding a relevant licence to conduct compliance evaluations) should also pay the state duty in the amount of AZN 20 for getting certificate on accreditation.

### **The Action plan on improvement of Business Environment**

President of the Republic of Azerbaijan approved the action Plan on Improving Expediency of Business Environment in Azerbaijan and improving position of the state in international ratings. The action plan covers following areas:

- The development of financial markets and the availability of loans;

- Effective governance and macroeconomic indicators;

- Labour market;
- Physical infrastructure;
- The execution of contracts, dispute resolution, closure and bankruptcy of the enterprise, the judicial system and rule of law;
- Corporate governance, investments, investors' interests;
- Foreign trade and trade tariffs;
- Human capital;
- Efficiency of commodity market and competition;
- Technologies and innovations;
- Tax and accountability;
- Border trade;
- Healthcare system;
- Connection to the power supply network;
- Obtainment of construction permits;
- Corruption and transparency;
- Property registration;
- The costs associated with the fight against crime.

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The Commission on Increasing Expediency of the Business Environment has been assigned responsible to coordinate the execution of the action plan.

### ***Draft Law on Amendments to the Labour Code***

The draft law covered in PwC Azerbaijan Times Issue#18 has passed the first hearing at Milli Mejlis.

The following changes have been approved during the first hearing:

- Fixed term employment agreements may be signed for any term determined by mutual agreement of the parties. Previously this term was limited to 5 years.
- Amount of termination benefits paid to employees in case of termination of the employment agreement by employer's initiative (liquidation of the entity and redundancies) and notification period, as well as amount compensation instead of notification period, will vary depending on seniority (experience) of the employee within that entity.

Seniority	Minimum amount of termination benefit equal to	Minimum period of notification	Compensation instead of notification
Up to a year	Average monthly salary	Two weeks in advance	0.5 of the average monthly salary
From one to five years	1.4 of the average monthly salary	Four weeks in advance	0.9 of the average monthly salary
From five to ten years	1.7 of the average monthly salary	Six weeks in advance	1.4 of the average monthly salary
More than ten years	Double of the average monthly salary	Nine weeks in advance	Double of the average monthly salary

### ***Decree on acceleration of creation of free trade zones***

President of the Republic of Azerbaijan established a working group responsible for acceleration of

creation of free trade zone in Alat settlement of Garadagh district in Baku. The working group has been instructed to analyse existing draft law on creation of free trade zones and to present a final version of the document, which will reflect interests of the state and investors.