

Legal updates

In this issue, we would like to bring to your attention a brief overview of the recent amendments to the legislation concerning the following:

- ▶ Amendments to the Tax Code
- ▶ Amendments to the “Law on cashless settlements”
- ▶ Amendments to the “Law on Public Procurement”
- ▶ Minimum monthly salary
- ▶ Changes in special quarantine regime
- ▶ Amendments to the Civil Code
- ▶ Amendments to the Constitutional law “On normative legal acts”

▶ Amendments to the Tax Code

On 29 December 2021 amendments to the Tax Code were published. Please see a separate presentation summarizing the most significant changes. The changes became effective from 1 January 2022. Certain articles will be effective at other dates which are specifically indicated in the presentation.

▶ Amendments to the “Law on cashless settlements”

On 29 December 2021, Amendments to the Law of the Republic of Azerbaijan “On cashless settlements” (hereinafter referred to as the “**Amendments**”) was published.

Amendments envisage the following new types of payment that should be carried out in cashless form:

- ▶ Retail sales with amounts over **AZN 4,000** per transaction (excluding automobiles)
- ▶ Payments for services provided by medical enterprises with amounts over **AZN 500** per transaction
- ▶ Specialized car sales, including sales via commission and trade organizations
- ▶ Payouts of winning amounts and payments for participation in the lotteries and betting in the amounts over **AZN 3,000**.

Amendment came into force on 1 January 2022.

▶ Amendments to the “Law on Public Procurement”

On 29 December 2021, Amendments to the Law of the Republic of Azerbaijan “On Public Procurement” (hereinafter referred to as the “**Amendment**”) was adopted.

According to the Amendment, the execution of the public procurement agreement with non-resident legal entities or individuals for *(i) construction*, *(ii) construction-assembly* and *(iii) installation of production plants* is subject to the permanent establishment or division of non-permanent establishments registered for tax purposes in the Republic of Azerbaijan.

That is, if the foreign legal entity wins the tender, but does not have a permanent establishment (representation) or a division of non-permanent establishment (representation) registered for tax purposes in the Republic of Azerbaijan, it will be unable to sign the public procurement agreement.

Amendment came into force on 1 January 2022.

▶ **Increasing the minimum monthly salary**

In accordance with the Decree of the President of Azerbaijan "On increasing the minimum monthly salary" signed on 17 December 2021, starting from 1 January 2022, the minimum monthly salary will be AZN 300.

▶ **Changes in special quarantine regime**

On 11 December 2021, the Cabinet of Ministers of the Republic of Azerbaijan adopted a Decree No. 389 "On additional measures to remove some restrictions of special quarantine regime" (hereinafter, the "Decision").

In accordance with the Decision, places of public catering (catering enterprises) can operate (serve) from **00:00 on 31 December till 02:00 on 1 January 2022** taking into consideration applicable safety requirements.

At the same time, the Decision introduce the requirement to obtain the certificate of (i) at least double dose of vaccination against COVID-19; or (ii) immunity against COVID-19; or (iii) contraindications for vaccine against COVID-19 for all employees of:

- ▶ state bodies and organizations
- ▶ medical and pharmaceutical enterprises, scientific and educational institutions (*regardless of the form of ownership*)
- ▶ enterprises operating in the areas as listed in the appendix to the Decree No. 151 dated May 26, 2021 "On measures to extend the special quarantine regime and remove some restrictions". This list includes different areas of works and services in sectors like utilities, transport, logistics, communication, trade and catering, financial services and other.

▶ **Amendments to the Civil Code**

On 19 November 2021, Amendments to the Civil Code of the Republic of Azerbaijan (hereinafter referred to as the "Amendment") were adopted.

According to the Amendment, from now on, banks may write off debts of related to compulsory health insurance premiums to be paid to the compulsory health insurance fund from the bank accounts in the order of priority.

It should be noted that, if there are not enough funds in the client's bank account in order to meet all the claims, the write-off is carried out in 6 levels of priority, given that compulsory health insurance premiums to the state budget, compulsory state social insurance premiums and unemployment insurance premiums to the state funds and municipal budgets are placed in the third level.

It should also be noted that similar amendments were made in the Law of the Republic of Azerbaijan "On Enforcement" on November 19, 2021.

▶ **Amendments to the Constitutional law "On normative legal acts"**



As a result of amendments made to the Constitutional Law of the Republic of Azerbaijan “On normative legal acts” (hereinafter referred to as the “Amendment”), publication of normative legal acts on the official website is defined as one of the methods of official publication of the normative legal acts.

According to the Amendment, the date of publication of a normative legal act on the official webpage is recognized as the date of its first publication as well as the date of entry into force of this act.



Contacts

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