



Legal updates

In this release, we would like to bring to your attention an overview of the following:

- ▶ The Securities Issuance System has been launched.
- ▶ "Rules for labeling products related to energy consumption" have been adopted.
- ▶ "Rules and forms of conducting an energy audit, as well as reporting on the results of an energy audit" have been adopted.
- ▶ The production calendar for 2023 has been announced.
- ▶ The discount rate and the lower limit of the interest rate corridor have been increased.

The Securities Issuance System has been launched.

The Securities Issuance System (the "System") developed by the Central Bank of the Republic of Azerbaijan has been launched on December 2, 2022.

The main goal of establishing the System is to create flexible financing opportunities in the market by expanding the application of electronic services in the capital markets and making the market more accessible through digital channels.

Thus far, issuers had to separately apply to the Central Bank, the National Depository Center, and the Baku Stock Exchange and submit the required documents in hard copies. Now the system allows issuers to carry out the respective operations online.

System is available at: <https://securities.e-cbar.az/home>.

"Rules for labeling products related to energy consumption" have been adopted.

"Rules for labeling products related to energy consumption" (hereinafter - "Rules") have been adopted by Resolution No. 432 of the Cabinet of Ministers of the Republic of Azerbaijan dated December 6, 2022.

- ▶ The Migration Code of the Republic of Azerbaijan has been amended.
- ▶ The Law of the Republic of Azerbaijan "On State Duty" has been amended.
- ▶ The Labor Code of the Republic of Azerbaijan has been amended.

The Rules define the guidelines for labeling energy consumption products placed on the market. In addition, the Rules define the energy labels, distance selling, information sheet and other concepts, as well as determine the requirements related to the energy labeling, obligations of a supplier and a seller (lessor), control forms for placing products on the market, and technical regulations.

The Ministry of Economy of the Republic of Azerbaijan supervises compliance with the requirements of the Rules.

The Rules do not apply to personal, passenger and cargo vehicles, as well as to the products placed on the market and processed before the Rules entered into force (except for imported products).

"Rules and forms of conducting an energy audit, as well as reporting on the results of an energy audit" have been adopted.

"Rules and form of conducting an energy audit, as well as reporting on the results of an energy audit" (the "Rules") have been adopted by Resolution No. 435 of the Cabinet of Ministers of the Republic of Azerbaijan dated December 8, 2022.

The Rules were designed according to the Law of the Republic of Azerbaijan "On the efficient use of energy resources and energy efficiency".

According to the Rules, an energy audit aims to enhance energy efficiency and energy saving, reduce energy losses and environmental waste, and implement energy efficiency measures. Under the Rules, conducting an energy audit could be of voluntary and mandatory nature depending on the circumstances.

Accordingly, the Rules apply to (i) energy facilities that are subject to mandatory energy audits in accordance with the Law of the Republic of Azerbaijan "On Efficient Use of Energy Resources and Energy Efficiency" and to (ii) business entities or building owners (managers), who voluntarily engage auditors to conduct energy audits.

Furthermore, the Rules provide guidelines related to the conduct of energy audits, as well as determine the procedure and form of submitting a report on the results of the energy audits.

The production calendar for 2023 has been announced.

The production calendar for 2023 has been adopted by the Decision of the Board of the Ministry of Labor and Social Protection of the Population dated December 15, 2022.

For 2023, the production calendar establishes the following norms:

- 1913 yearly working hours;
- 20 average working days;

- 159,42 average working hours.

Available at: [Industry calendar \(sosial.gov.az\)](http://sosial.gov.az)

The discount rate and the lower limit of the interest rate corridor have been increased.

By Resolution of the Board of the Central Bank of the Republic of Azerbaijan dated December 16, 2022, the discount rate and the lower limit of the interest rate corridor have been increased.

As per the Resolution, the discount rate increased by 0.25% to 8.25%. Likewise, the lower limit of the interest rate corridor was increased by 1.25% and reached 6.25%. The upper limit of the interest rate corridor remained unchanged at 9.25%.

The Migration Code of the Republic of Azerbaijan has been amended.

On December 28, 2022, the Law of the Republic of Azerbaijan on Amendments to the Migration Code of the Republic of Azerbaijan (hereinafter - "the Law") was adopted.

According to the Law, the quota requirements for issuing work permits to those involved in labor activities in the liberated territories of the Republic of Azerbaijan have been abolished. It should also be taken into account that applications for a work permit related to the mentioned labor activity are considered within a reduced period (3 working days).

Until the adoption of the new Law, it was possible to extend the work permit for all categories of workers for up to 1 year. According to the new Law, the term of the work permit can each time be extended up to 2 years for those involved in labor activities in the liberated territories of the Republic of Azerbaijan.

Note that the Law come into force from January 1, 2023 to January 1, 2028.

The Law of the Republic of Azerbaijan "On State Duty" has been amended.

On December 28, 2022, the Law of the Republic of Azerbaijan on amending the Law of the Republic of Azerbaijan "On State Duty" (the "Law") was adopted.

The Law determines the appropriate amounts of duties for the foreigners involved in labor activities in the liberated territories of the Republic of Azerbaijan, who are obtaining and extending a work permit (hereinafter - "work permit") for periods of 1 year and 6 months, and up to 2 years. Newly determined amounts of duties vary between 1200-1800 AZN depending on the duration of the work permit.

Additionally, the 10, 15, and 20-day periods for obtaining and extending work permits by the abovementioned persons were reduced by 5 days and respectively determined as 5, 10, and 15 days.

This Law enters into force on January 1, 2023.

The Labor Code of the Republic of Azerbaijan has been amended.

On December 28, 2022, the Law of the Republic of Azerbaijan on amending the Labor Code of the Republic of Azerbaijan (hereinafter - the "Labor Code") (hereinafter - the "Law") was adopted.

According to changes, the Labor Code defines the category of specialists working in the liberated territories of the Republic of Azerbaijan. This includes persons who have a state document on profession, secondary qualification, and higher education and have at least 24 months of work experience during the last 60 months, and who work on the basis of a labor contract in the liberated territories of the Republic of Azerbaijan.

According to the new Law, those persons are given the right to additional leave for a period of 5 calendar days, regardless of the duration of the annual and additional leaves.

Note that the Law is in force from January 1, 2023 to January 1, 2028.

Contacts

We hope that you will find this overview helpful. For more detailed information, please contact the following specialists:



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