

SIGNIFICANT AMENDMENTS TO REGISTRATION OF LEGAL ENTITIES

Law No. 1155-VIQD of Amending Law of Republic of Azerbaijan on Registration of Legal Entities, dated 21 May 2024, introduces important revisions to the rules of registration and registry of entities. These amendments came into force on 8 July 2024.

The amending Law enables local and foreign investors to carry out registration procedures and related processes remotely. It also accelerates the submission of documents and information required by legislation, facilitates the electronic filling of applications, and allows tracking of the process by utilizing e-signature and other relevant modern technologies.

According to the newly added Sub-Section 5.8, information about a fully paid charter capital must be reported to the Ministry of Economy (represented by the Public Tax Service), within five business days.

The Law simplifies the procedures for determining information transparently and accurately concerning persons likely subject to sanctions, pursuant to the *Law on Targeted Financial Sanctions*. This includes the requirement for a full disclosure of information. The Law also sets provisions regarding the registration of foreign entities, including requirements for consular legalization of documents and certification of translations into the official language of the Republic of Azerbaijan.

The Law specifies that, during the public registration of entities, the expanded legislative requirements concerning their names must be considered (Sub-Section 11.3.3). Additionally, it prohibits the charters of entities (except in cases permitted by legislation) from including provisions that usurp the powers of state bodies or foresee state control functions (Sub-Section 11.3.2-1).

PENALTIES FOR FAILURE TO PAY OR REPORT CHARTER CAPITAL

The bill of amendments as highlighted in our [May 2024 legal update](#) was enacted through the *Law on Amendments to Code of Administrative Violations* and came into force on 16 July 2024.

ELECTRONIC COMPETITION INFORMATION SYSTEM (ECIS)

Pursuant to Presidential Decree No. 133, dated 9 July 2024, the Electronic Competition Information System (ECIS) was established to enhance the administration of competition and consumer rights protection. The Ministry of Economy has been mandated to oversee the formation of ECIS within the next six months.

The primary objectives of implementing the ECIS include, but are not limited to, improving management in relevant sectors, increasing operational efficiency, delivering services more effectively through modern technologies and a unified information system, and simplifying the procedures for obtaining documents and information required by Azerbaijani law.

The ECIS will facilitate the submission and processing of applications from consumers and market participants, enable the real-time retrieval of necessary documents or information from other state authorities upon request, and ensure that decisions and information regarding these applications are provided electronically. This will enhance the accessibility of relevant information for users.

To ensure functionality of the ECIS, it will be integrated with relevant state information resources and systems through the Electronic Government Information System. Necessary measures will be undertaken to host ECIS within the “Government Cloud” (G-cloud) in accordance with the “Government Cloud Concept.”

The initiation of the ECIS formation process, following the enactment of the Competition Code of the Republic of Azerbaijan, will ensure that economic activities occur within an independent and robustly competitive environment and that efforts to stimulate competition and de-monopolize the economy are carried out in a technologically advanced setting.

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*Information does not, and is not intended to, constitute legal advice

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