



Law of the Republic of Azerbaijan

On state registration and state registry of legal entities

Chapter I. General provisions

Article 1. Scope of Law

This law established legal and organizational basis for maintenance of state registration and state registry of legal entities on the territory of the Azerbaijan Republic.

Article 2. Definitions

2.0. Following definitions are applied for the purposes of this Law:

2.0.1. legal entity- structure defined under the Civil Code of the Azerbaijan Republic;

2.0.2. foreign legal entity — legal entity established outside of the Azerbaijan Republic;

2.0.3. structure, which desired to obtain the status of legal entity, — person or group of persons, applied in accordance with legislation to the relevant executive authority of the Azerbaijan Republic for state registry and introduction to the state registry as a legal entity;

2.0.4. representation- structure, defined as such under the Civil Code of the Azerbaijan Republic;

2.0.5. branch — structure defined as such under the Civil Code of the Azerbaijan Republic;

2.0.6. foundation documents — documents that form legal basis for establishment and activities of the legal entity and other structures stipulated under this Law;

2.0.7. state registration of legal entities — approval of competence of parties desiring to obtain the status of legal entity of structures on the territory of the Azerbaijan, as well as representation and branched founded on the territory of the Azerbaijan

Republic by foreign legal entities, establishment of their legal status and inclusion their records into the state registry of legal entities;

2.0.8. state registry of legal entities — collection of information (records) on registered on the territory of the Azerbaijan Republic of legal entities, representations and branches of foreign legal entities, as well as representations and branches, as well as other structures of legal entities, undergone the state registry on the territory of the Azerbaijan Republic;

2.0.9. commercial and non-commercial legal entities- structures defined as such under the Civil Code of the Azerbaijan Republic.

Article 3. Legislation on state registration and state registry of legal entities

Legislation on state registration and state registry of legal entities in the Azerbaijan Republic comprised of the Constitution of the Azerbaijan Republic, this Law, Civil Code of the Azerbaijan Republic, as well as other legislative acts of the Azerbaijan Republic and international treaties, to which the Azerbaijan Republic is a signatory.

Article 4. General rules for maintenance of state registration and state registry of legal entities

4.1. Parties desiring to obtain the status of legal entity on the territory of the Azerbaijan Republic, as well as representations or branches of foreign legal entities, shall undergo the state registration and shall be included into the state registry. Commercial entities, as well as representations or affiliates of foreign legal entities may implement activities only upon the state registration.

4.2. Representations or branches, other structures of legal entities, which undergone the state registration in the Azerbaijan Republic, shall be included into the state register.

4.3. The state duty for registration of parties desiring to obtain the status of legal entity, representations or branches of foreign legal entities is paid in accordance with procedures stipulated under the legislation of the Azerbaijan Republic, at these peculiarities of commercial and non-commercial legal entities shall be considered.

4.4. Legal entities, representations and branches of foreign legal entities, as well as representations and branches of legal entities registered on the territory of the Azerbaijan Republic, shall be included into the state registry without payment of duty. Changes to the state register are performed without payment of duty.

4.5. Only working days shall be taken into consideration when calculating the terms, stipulated by this Law.

Chapter II. State Registration of Legal Entities

Article 5. The application for the state registration of the structure for obtaining of the legal entity status

5.1. For state registration, the structure wishing to obtain the status of legal entity, shall apply to the relevant executive authority of the Azerbaijan Republic.

5.2. The application is signed by the founder (in the event of many founders, — with all of them) or his (their) appointed trustee on the basis of power of attorney approved by notary.

5.3. The application shall include:

5.3.1. if the founder (founders) is a natural person- his (their) surname, first name, middle name, place of residence, number and date of identification document;

5.3.2. if founder (founders) is a legal entity— its (their) name, location and registration number;

5.3.3. in the event of signing of application by authorized representative— in addition, its surname, first name, middle name, place of residence, number and date of identification document issuance, and power of attorney.

5.3.4. *other information, set in form statement, ratified by the proper authority of executive power.*

5.4. Following documents are attached to application:

5.4.1. foundation documents— the charter of the legal entity approved by the founder (founders) of the structure wishing to obtain the status of legal entity, or his (their) authorized representative, decision on establishment of subject structure and approval of its charter (the decision shall be include the purpose of the establishment of the structure, wishing to obtain the status of legal entity, its founders, conditions of reorganization at establishment of new legal entity during merger, separation and division, approval of the charter, legal representative in the event of his appointment and his authority, as well as other issues considered necessary by the founders), such decision shall be signed by all founders;

5.4.2. document on payment of state duty;

5.4.3. if the founder is the legal entity — the notary approved copy of state registration document (extract from state registry) and the charter;

5.4.4. *if the founder is a physical person — copy of the document certifying his personality;*

5.4.5. document verifying the legal address of the structure, wishing to obtain the status of legal entity;

5.4.6. *at setting of legal representative copy of the document certifying his personality;*

5.4.7. *for foundations – a document verifying the payment of charter capital;*

5.4.8. *document on appointment of head or deputy head of the branch or representative offices of non-governmental organizations founded by foreigners of foreign legal entities*

5.5. To the application on state registry of structures established as a result of reorganization, also shall be attached:

5.5.1. decision on reorganization;

5.5.2. transfer act and separation balance;

5.5.3. information on publication in media.

5.6. The application is submitted along with the copy. Original of the application is kept by relevant executive authority of the Azerbaijan Republic, and copy is returned to applicant with note indicating the date of acceptance by the relevant executive authority of the Azerbaijan Republic of the original. The acceptance of application can be verified in any other form.

5.7. In the event of reorganization of the legal entity under court decisions in cases stipulated under the legislation of the Azerbaijan Republic, the enforced court decision with compliance of requirements of Article 5.5 of this Code shall serve as basis for state registration of this legal entity. In this case the state registration is implemented within term specified in Article 8 of this Law.

Article 6. Specifics of state registration of representations or branches of foreign legal entities

6.1. For state registration of the representation or branch of the foreign legal entity in addition to documents specified in Article 5 of this Law, shall be also submitted:

6.1.1. status, approved by foreign legal entity, establishing the representation or branch, or its authorized representative (the status of representation or branch shall include the name, location of the establishing legal entity, registration number and date of registration, rights and responsibilities of the representation or branch, its management and liquidation procedure, other issues, recognized necessary by the founder);

6.1.2. decision of foreign legal entity, establishing the representation or branch, on its establishment;

6.1.2.-1. Agreement on state registration of the branch or representative offices of foreign states non-governmental organizations in the Republic of Azerbaijan.

6.1.3. document, verifying the registration of legal entity, which founds the representation or branch — extract from trade registry (registration evidence etc.). This document shall be verified and approved by the diplomatic representation of the Azerbaijan Republic in the country of residence of the legal entity, or diplomatic representation of other country, representing the interests of the Azerbaijan Republic in this country (in the event of absence of such, as an exception — by relevant executive authority of the Azerbaijan Republic);

6.1.4. the original or notary approved copy of the power of attorney issued by foreign legal entity establishing the representation or branch;

6.1.5. the original or notary approved copy of the decision of foreign legal entity, establishing the representation or branch, on appointment of the head of such representation or branch.

6.2. In the event of approval of documents that require the notary approval by the notary of foreign state, the procedure specified under article 6.13 of this Law shall be complied with.

Article 7. Specifics of state registration of structures with foreign investment, wishing to obtain the status of legal entity

7.1. For state registration of structures with foreign investment, wishing to obtain the status of legal entity, in addition to documents, specified under Article 3 of this Code shall be submitted:

7.1.1. if the founder is the foreign legal entity- document, verifying its registration, — extract from the trade registry, registration testimony etc. (at this each document in accordance with procedures stipulated under the legislation can be legalized by the diplomatic representation of the Azerbaijan Republic in the country of residence of legal entity, or diplomatic representation of other country, representing the interests of the Azerbaijan Republic in this country (in the event of absence of such, as an exception — by relevant executive authority of the Azerbaijan Republic);

7.1.2. document, approved in accordance with Article 7.1.1 of this Law, verifying his engagement in entrepreneurship in the country of citizenship or permanent residence, or any third country.

7.2. For state registration of structures with foreign investments founded by foreign citizens, who obtained the right for permanent residence on the territory of the Azerbaijan Republic, or persons without citizenship, they shall submit documents in accordance with procedures stipulated under Article 5 of this Law to the relevant executive authority of the Azerbaijan Republic.

Article 7-1. Procedure for state registration of business corporations, wishing to obtain the status of legal entity

The state registration of the business corporation, wishing to obtain the status of legal entity, including representative and branch offices of the foreign business legal entity shall be performed not later than within 5 days.

Article 8. Procedure for state registration of non-profit structures, wishing to obtain the status of legal entity

8.1. State registration of *non-profit structures* wishing to obtain the status of legal entity, as well as representations or branches of foreign *non-profit* legal entities is performed as a rule no later than within 40 days.

8.2. The application for state registration and attached documents are accepted by the relevant executive authority of the Azerbaijan Republic for review, and within 30 days their compliance with the Constitution of the Azerbaijan Republic, this Law and other legislative acts of the Azerbaijan Republic is checked. In exceptional cases, if during the checking there is a necessity for additional check, this term can be extended for no more than 30 days.

8.3. In the event of findings of deficiencies in documents, which do not form basis for refusal in state registration, the relevant executive authority of the Azerbaijan Republic returns these documents to the applicant and sets the period of additional 20 days for resolution of these deficiencies. All deficiencies not providing basis for refusal shall be identified at once and submitted to the applicant for resolution.

8.4. No later than 10 days upon the document check or resolution of deficiencies found in documents, relevant executive authority shall issue to the applicant the certificate of state registration or notifies him on refusal for state registration (with indications or explanations of the provisions of legislation that formed basis for refusal).

8.5. In the event if within the term established *under this clause*, no refusal will be submitted on state registration, these structures shall be deemed as registered by the state. In this the relevant executive authority of the Azerbaijan Republic no later than within 10 days shall issues the certificate on state registration to the applicant.

Article 9. Registration of changed, introduced into charter documents and following change of registered facts

9.1. Each change to the charter documentation of legal entities, representations and braches of foreign legal entity, as well as each following change of registered facts shall be subject to registration.

9.2. For registration of change no later than within 40 days from the date of change, it is necessary to apply with application to the relevant executive authority of the Azerbaijan Republic. The application shall indicate the change and submit documents, verifying such

change. In the event of compliance of the change with requirements of Article 11.3 of this Law, relevant executive authority shall register such change within 5 days.

Article 10. Re-registration. Deleted

Article 11. Provision of lawfulness in application of the Law

11.1. With exception of basis stipulated under the legislation of the Azerbaijan Republic, not on any other basis is allowed refusal for state registration and inclusion into the state register of persons wishing to obtain the status of legal entities, as well as representations or branches of foreign legal entities, or introduction of changes to the state registry.

11.2. Refusal in state registration and inclusion into the state registry of structures wishing to obtain the status of foreign legal entity, as well as representations and branches of legal entity registered by the state in the Azerbaijan Republic on the basis on inexpediency is not allowed.

11.3. Refusal for state registration of structures wishing to obtain the status of legal entities, as well as representations or branches of the foreign legal entity, inclusion into the state register of the representation of branch undergone the state registration in the Azerbaijan Republic, as well as state registration of changes introduced into charter documents, and further changes of facts indicated in the register may be implemented in following instances:

11.3.1. in the event of conflict of the documents submitted to the relevant executive authority of the Azerbaijan Republic to the Constitution of the Azerbaijan Republic, this law and other legislative acts;

11.3.2. in the event of conflict of goals, objective and forms of activities of the structures wishing to obtain the status of legal entity with legislation;

11.3.2-1. if the appropriation of authorities of state and local self-government, as well as state control and examination functions is considered in the charters of non-governmental organizations

11.3.3. in the event of violation of law on protection trade marks or in the event of registration of non-commercial organization under the same name, *in the event of usage the names of state authorities as well as names prominent personalities (without permission of their close relatives or inheritances) of Azerbaijan in the name of non-governmental organizations;*

11.3.4. in the event, if deficiencies founded by the relevant executive authority of the Azerbaijan Republic, are not resolved within the period established under Article 8.3 of this Law.

11.4. Requirement for submission of documents not specified under this law for the purposes of state registration of structures wishing to obtain the status of legal entities, as well as representations or branches of the foreign legal entity, inclusion into the state register of the representation of branch undergone the state registration in the Azerbaijan Republic, as well

as state registration of changes introduced into charter documents, and further changes of facts indicated in the register is allowed only in cases, when submission of such documents is stipulated under other legislative acts of the Azerbaijan Republic.

11.5. Unlawful refusal or evasion from state registration of structures wishing to obtain the status of legal entities, as well as representations or branches of the foreign legal entity, inclusion into the state register of the representation of branch undergone the state registration in the Azerbaijan Republic, as well as state registration of changes introduced into charter documents, and further changes of facts indicated in the register can be appealed in the superior organization or court in accordance with procedures established under the legislation of the Azerbaijan Republic.

Chapter III. State registry of legal entities

Article 12. Main principles of state registry of legal entities

12.1. State register of legal entities is maintained by the relevant executive authority of the Azerbaijan Republic.

12.2. State register of legal entities shall be uniform and based on the same methods and principles.

12.3. State register of legal entities is a information source of the Azerbaijan Republic, rules for its protection and operations are established by the relevant executive authority of the Azerbaijan Republic.

12.3-1. There is no demand on registration of branch and representative office of the non-governmental organization. The organization within 10 days informs appropriate authority on establishment of branch and (or) representative office.

12.4. State register of legal entities is performed on hard copy and electronic carriers.

12.5. In the event of contradiction of records between hard copies and electronic carriers, hard copy information shall be deemed dominant, unless otherwise is stipulated under the legislation.

12.6. The maintenance of the state register on electronic carriers is performed in compliance with application of unified organizational, program and technical principles, which provide links and consistence with state information systems and networks.

12.7. deleted

12.8. The state register comprised of:

12.8.1. information on organization, registration, liquidation of legal entities, representations or branches of foreign legal entities;

12.8.2. information on introduction of changes to charter documents;

12.8.3. information on representation or branch, as well as other structures of the legal entity registered on the territory of the Azerbaijan Republic;

12.8.4. document packages established under the legislation, submitted to the registration authority for storage.

12.9. The state register of the Azerbaijan Republic is maintained by years and by each territorial and administrative unit (region or city) of the Azerbaijan Republic. By the decision of relevant executive authority of the Azerbaijan Republic the state registry may be maintained also by other criteria.

12.10. Territorial classification of state registry is maintained on the basis of legal address of the legal person, representation or branch of foreign legal entity.

12.11. Procedure for maintenance of state registry forms of state registry book *for noncommercial legal entities*, certificates of state registration and extracts from the state registry, and *form* of application are established by the relevant executive authority of the Azerbaijan Republic.

12.12. Forms of testimonies of state registration of business corporations, extracts from the state register and statements-appeals, related to registration, become firmly established by the proper authority of the Republic of Azerbaijan, and replaced at its internet site

Article 13. Document verifying the state registration and inclusion into the state register

13.1. Relevant executive authority issues to the legal entity, as well as representation or branch of the foreign legal entity the state registration certificate, which verifies its state registration.

13.2. Information on state registered legal entity, as well as representation or branch of foreign legal entity included into the register is verified with extract from the state registry.

13.3. In the certificate, given out to the passed state registration commercial legal entities, and also to the branches or representative offices of foreign commercial legal entities, and to the extract from the state register for the subjects of entrepreneurial activity, the identification number of taxpayer, having a single code in the Republic of Azerbaijan, is specified;

13.4. Certificate of state registration or extract from the state registry shall be the main document and for preparation of seal, stamp, letterhead, trademark, no additional document is required.

Article 14. Information included into the state register

14.1. Into the record made to the state registry following information on structures included into the state register is provided:

14.1.1. name of structure (firm);

14.1.2. legal address of structure;

14.1.3. organization and legal form;

14.1.4. fiscal year;

14.1.5. *identification number of taxpayer (for commercial structures), registration number of noncommercial structures;*

14.1.6. surname, first name, middle name, citizenship and resident address of each founder of the structure, if the founder is the legal entity— his name, legal address and registration information;

14.1.7. surname, first name, middle name, citizenship and residence of the legal representative of the structure;

14.1.8. information on location, organizational and legal form and registration of structures established by the legal entity on the territory of the Azerbaijan Republic or outside of the Azerbaijan Republic.

14.2. In addition to information stipulated under article 14.1 of this Code for legal entities, representation or branches of foreign legal entities, in the state register dependent of the organizational and legal form of legal entity following information shall be provided:

14.2.1. for special partnerships— amount of investments of each participant;

14.2.2. limited liability company or joint-stock company — amount of charter capital, amount of investment of each founder, in the event of establishment of controller's board— surname, first name, middle name and resident address of each member;

14.2.3. in non-commercial organizations— scope of activities and objectives, area of activity, in foundations — information on members of the board of trustees, charter capital of the foundations and volume of property share of founders.

Article 15. Extracts from the state register

15.1. Upon inclusion into the state register of information on legal entities, as well as representations or branches of the foreign legal entity, inclusion into the state register of the representation of branch undergone the state registration in the Azerbaijan Republic,

documents submitted for state registration and inclusion into the state register are submitted to the archive.

15.2. Each structure, which has undergone the state registration and (or) was included into the state register *must give an extract from the state register at the moment* of state registration or inclusion into the state registry shall be issued the extract from the state registry by the relevant executive authority of the Azerbaijan Republic.

15.3. The extract from the state register is issued to the applicant no later than within 3 days from the time of state registration of changes, introduced into the charter documents, and following changes of facts included into the registry.

15.4. The amount of information specified in the extract from the state registry shall be established by the relevant executive authority of the Azerbaijan Republic.

15.5. Person, who received the extract from the state registry, shall check its accuracy and in the event of found mistakes- within 3 weeks from the date of issuance of extract inform about it the relevant executive authority of the Azerbaijan Republic. The relevant executive authority shall review the information on detection of such mistake and introduce relevant changes into the state registry.

15.6. In the event, if within the term specified in Article 15.5 of this Law, there will be no notification on any mistake in the extract from state register, the record in the state register shall be published in the official newspaper of the Azerbaijan Republic.

15.7. Extracts from state registry may also be provided to third parties on the basis of enquiry.

15.8. Extracts from state registry may also be provided in copies of documents. Copy of the documents is issued to individuals upon the payment of duty, with exception of state authorities and founders.

Article 16. Exclusion of legal entity, representation or branch of foreign legal entity from the registry

16.1. In the event of liquidation of the legal entity, representation or branch of the foreign legal entity in accordance with established procedures, and upon performance of liquidation activities the application may be submitted to relevant executive authority of the Azerbaijan Republic for exclusion from the registry.

16.2. Following documents are attached to the application:

16.2.1. decision on liquidation;

16.2.2. balance and tax returns, acceptance of which is verified by the relevant executive authority of the Azerbaijan Republic;

16.2.3. information on results of last tax audit of the relevant executive authority of the Azerbaijan Republic;

16.2.4. original of certificate of state registration and charter (provision) of the structure and its seal;

16.2.5. document, verifying the publication in media of information on liquidation of structure;

16.2.6. in the event of liquidation of legal entity due to reorganization — the act of transfer or copy of the balance account, with exception of documents stipulated under Articles 16.2.2 and 16.2.3 of this Law;

16.2.7. in events stipulated under the legislation- other documents.

16.3. The application shall be signed and submitted by the founders or authorized representatives of liquidation commission.

16.4. The application is submitted along with the copy. The original is kept by relevant executive authority of the Azerbaijan Republic, and copy with note indicating the time of acceptance of application by the relevant executive authority of the Azerbaijan Republic shall be returned to applicant. The acceptance of application can be verified also in any other form.

16.5. Upon submission of necessary documents on liquidation, relevant executive authority of the Azerbaijan Republic checks the compliance of these documents to requirements of legislation and in the event of lack of deficiencies, within 7 days from the date of receiving of application shall take the decision on exclusion of the structure from the registry.

16.6. In the event of found deficiencies in submitted documents the applicant shall be provided with written notification on such, with requirement for resolution of deficiency.

16.7. Upon resolution of deficiencies the relevant executive authority of the Azerbaijan Republic no later than the term specified in Article 16.5 of this Law makes the decision on exclusion of structure from the registry, for which he provides the notification to applicants. Relevant records are made to the structure liquidation registry.

16.8. In the event of lack of information on resolution of deficiencies the structure can not be excluded from the registry within 60 days.

Article 17. Notification on state registration

17.1. Relevant executive authority of the Azerbaijan Republic:

17.1. upon the state registration and inclusion into the state register of legal entity, representation or branch of foreign legal entity every month in accordance with established from shall inform about it relevant executive authorities of the Azerbaijan

Republic conducting state registration of noncommercial legal entities, and also branches or representative offices of foreign noncommercial legal entities;

17.1.2. in cases stipulated under legislation during liquidation of legal entities, which have undergone the state registration or in the event of annulled records in the state registry shall inform relevant executive authorities of the Azerbaijan Republic.

17.2. proper authority of the executive power of the Republic of Azerbaijan, conducting state registration of commercial legal entities, and also branches or representative offices of foreign commercial legal entities:

17.2.1. daily sends data on state registration of commercial legal entities, and also branches or representative offices of foreign commercial legal entities in an electronic form and (or) on paper transmitters on jurisdiction to the proper authorities of executive power of the Republic of Azerbaijan;

17.2.2. at liquidation in the cases set by the legislation, of commercial legal entities passed state registration, and also branches or representative offices of foreign commercial legal entities or at liquidation of records in the state register, during one day informs the proper authorities of executive power of the Republic of Azerbaijan about it.

Article 18. Publicity of state register

18.1. Every person has the right to review records in the state register, enquire the extract from the state register and copies of documents submitted for registration. Relevant executive authority of the Azerbaijan Republic by the requirement of any interested persons shall provide the information on state registration or refusal of state registration of legal entity.

18.2. Information on state registration and inclusion into the state registry of legal entities, as well as representations or branches of the foreign legal entity as well as other information related to organization and activities of legal entities, publication of which is stipulated under the legislation, is published in the official state newspaper for general information.

Chapter IV. Final provisions

Article 19. Liability for violation of this Law

The violation of requirements of this Law shall propose the liability in the order stipulated under the legislation of the Azerbaijan Republic.

Article 20. Enforcement of the law

20.1. This law is entered into force from the date of publishing.

20.2. Requirements of this Law are not applicable for legal entities, the procedure for state registration and inclusion into the state register of which is regulated under special legislative act.

20.3. Registration documents of legal entities, which have undergone the state registration in other state authorities before the enforcement of the Law of the Azerbaijan Republic «On state registration of legal entities» from February 6, 1996, № 17- II, within 1 year from the enforcement date of this Law shall be submitted by the registering authorities to the relevant executive authority of the Azerbaijan Republic. These documents may also be submitted by legal entities and their founders.

20.4. Within 6 months from the date of enforcement of this Law, all legal entities, representations or branches of foreign legal entities shall submit to the relevant executive authority the information on their legal representatives, if such information was not submitted earlier.

20.5. From the date of enforcement of this Law, the Law of the Azerbaijan Republic «On state registration of legal entities» from February 6, 1996, No. 17- IG shall be deemed invalid.

President of the Azerbaijan Republic

Ilham ALIYEV

City of Baku, December 12, 2003

№ 560-IIG