

LEGAL UPDATES (MAY)

Legal Act: Amendments to the Labor Code

Authority: Milli Majlis (Parliament)

Effective date: 8 May 2021

Source: <https://president.az/articles/51402>

Provisions regarding unacceptability of formalization of employment relations as civil contracts have been added to the Labor Code.

Per the provisions, following characteristics will render relations as employment and it will be prohibited to conclude civil (service) contracts to formalize these:

- when the content and form of the contract correspond to the form set by the Labor Code
- upon presentation of a labor book for registration of relations between the parties



- when relations between the parties arise in connection with the appointment to the relevant profession or position, including elective or appointed on a paid basis, as well as filling a position on a competitive basis, employment under a quota, reinstatement at work by a court decision
- when the relations between the parties arise in connection with the performance of work related to the main field of activity of the employer
- when the relationship between the parties arises in connection with (temporary) performance of work in the order of replacement
- if, according to the terms of performance, the work is of a temporary nature, then the extension of the contract is regulated in accordance with the employment contract
- when remuneration for performed work consists of a monthly official salary, allowances and bonuses
- when the contract provides for the settlement of issues such as the basic obligations of the employee, guarantees, leave, disciplinary liability and cases of withholding of wages

Legal Act: Amendments to the “List of public legal entities exempted from value added tax for the provision of works and services at the expense of funds allocated from the state budget”

Authority: President of the Republic of Azerbaijan

Effective date: 9 May 2021

Source: <https://president.az/articles/51421>

According to the amendments, “Karabakh Revival Foundation” has been added to the list of legal entities exempted from VAT for the provision of works and services at the expense of funds allocated from the state budget.

Legal Act: Amendments to the Decree “On improving the structure of the State Oil Company of the Republic of Azerbaijan”

Authority: President of the Republic of Azerbaijan

Effective date: 9 May 2021

Source: <https://president.az/articles/51420>

According to the amendments, the structure of SOCAR shall be approved by the Azerbaijan Investment Holding (“AIH”) in coordination with the President of the Republic of Azerbaijan.

Furthermore, the decisions on the establishment, reorganization and liquidation of entities included in the structure of SOCAR, as well as subsidiaries and affiliates will be made by SOCAR’s Supervisory Board.

Amendments also touch upon management issues of SOCAR, such as affiliation of the certain exclusive authorities to AIH that are not included in the discretion of the general meeting of SOCAR, appointment of the members of the Supervisory Board of SOCAR for 3 years term by the President.



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