

## LEGAL UPDATES (JULY)

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**Legal Act:** Amendments to the Labor Code; Civil Procedural Code; Family Code; Civil Code; Tax Code; Administrative Procedural Code and Code on Administrative Offences

**Authority:** Milli Majlis (Parliament)

**Effective date:** 25 July 2021

**Source:** <https://president.az/articles/52542>

### Labour Code

The amendment specifies the mandatory requirement to attend a preliminary mediation session prior to applying to the court regarding individual labour disputes.

### Civil Procedural Code

According to the amendments, in case if the agreement contains a condition or clause requiring the participation of the parties in the mediation process prior to applying to the court on any dispute, the dispute may be submitted for court only after compliance with this rule.



Among the principles of litigation, a provision has also been added to the proposal by the court or the parties to resolve the dispute by mediation at any stage of the trial.

The court may complete the case based on a conclusion of the parties of a settlement agreement via mediation. If this is the case, the court issues a writ on approval of the settlement agreement and terminates the proceedings.

Certain restrictions were also imposed on the institution of representation in court. Thus, the mediator who previously represented the interests of the parties in the mediation process cannot represent the same parties within court proceedings on the same dispute. Likewise, a judge who previously acted as a mediator within the same dispute may be recalled.

Moreover, a new chapter 40-7 was added to the Code, called “Proceedings for the approval of a settlement agreement concluded as a result of the mediation process”.

The chapter covers provisions regarding the filing of an application, its content, the procedure for its consideration, the enforcement of the settlement agreement (if applicable), the grounds for refusing to approve the settlement agreement, etc.

### **Family Code**

A new article 7-1 with a title “Resolution of disputes arising from family relations through mediation” has been added to the Code. This article establishes the mandatory requirement for parties to participate in a preliminary mediation session before applying to court regarding disputes arising from family relations.

The amendments also allow for the inclusion of mediation clauses in the marriage contract.

### **Civil Code**

According to the amendment, implementation of the mediation process by the parties is one of the grounds for suspension of limitation periods.

### **Tax Code**

According to the amendment, the remuneration received for the provision of mediation services by individuals is classified as income from non-entrepreneurial activities.

**Administrative Procedural Code**

According to the amendment to the Code, the court or the parties may suggest a solution of an issue through mediation at any stage of the court proceedings. Administrative proceedings may be terminated by a settlement agreement concluded through mediation.

As it is applied in civil proceedings, a judge considering administrative dispute that previously acted as a mediator within in the same case may be recalled.

**Code on Administrative Offences**

According to the amendment, the Code defined the violation of the mediation legislation as an administrative offense and provided for appropriate sanctions (fines).

**Legal Act:** Amendments to the Decree on Further improvement of management in the field of export and investment promotion

**Authority:** President of the Republic of Azerbaijan

**Effective date:** 24 July 2021

**Source:** <https://president.az/articles/52561>

According to the Decree, Charter and structure of AZPROMO were approved.

Per the Charter, AZPROMO is a public legal entity engaged in export and investment promotion activities, providing a range of services to exporters and investors operating under the Ministry of Economy.

The governing bodies of AZPROMO are a Supervisory Board consisting of 7 members and an Executive Director. The chairman of the Supervisory Board is the Minister of Economy of the Republic of Azerbaijan.

**Legal Act:** Law in the Use of renewable energy sources in the production of electricity

**Authority:** Milli Majlis (Parliament)

**Effective date:** 14 July 2021

**Source:** <https://president.az/articles/52418>

On 12 July Milli Majlis adopted a new Law On the use of renewable energy sources in the production of electricity.

The Law consists of 3 chapters: General provisions, Support for the use of renewable energy sources in electricity generation, technical and organizational requirements and information on the use of renewable energy sources in electricity generation.

The Law determines the legal, economic and organizational basis for the use of renewable energy sources in electricity generation, as well as support mechanisms to promote electricity generation from renewable energy sources and regulates other related matters.

**Legal Act:** Decree on New division of economic regions in the Republic of Azerbaijan

**Authority:** President of the Republic of Azerbaijan

**Effective date:** 8 July 2021

**Source:** <https://president.az/articles/52389>

After the liberation of the occupied territories of the Republic of Azerbaijan, President has signed a Decree aiming to satisfy the need for rearranging of the economic zones of the country and defining 14 newly organized zones:

- Baku economic region (Baku)
- Nakhchivan economic region (Nakhchivan, Babek, Julfa, Kangarli, Ordubad, Sadarak, Shahbuz and Sharur)
- Absheron-Khizi economic region (Sumgayit, Absheron and Khizi)
- Mountainous Shirvan economic region (Agsu, Ismayilli, Gobustan and Shamakhi)
- Ganja-Dashkesan economic region (Ganja and Naftalan, Dashkasan, Goranboy, Goygol and Samukh)
- Karabakh economic region (Khankendi, Agjabedi, Aghdam, Barda, Fuzuli, Khojaly, Khojavend, Shusha and Tartar)
- Gazakh-Tovuz economic region (Agstafa, Gadabay, Gazakh, Shamkir and Tovuz)
- Guba-Khachmaz economic region (Khachmaz, Guba, Gusar, Siyazan and Shabran)
- Lankaran-Astara economic region (Astara, Jalilabad, Lerik, Lankaran, Masalli and Yardimli)
- Central Aran economic region (Mingachevir city, Agdash, Goychay, Kurdamir, Ujar, Yevlakh and Zardab)
- Mil-Mugan economic region (Beylagan, Imishli, Saatli and Sabirabad)
- Sheki-Zagatala economic region (Balakan, Gakh, Gabala, Oguz, Sheki and Zagatala)
- East Zangazur economic region (Jabrayil, Kalbajar, Gubadli, Lachin and Zangilan)
- Shirvan-Salyan economic region (Shirvan city, Bilasuvar, Hajigabul, Neftchala and Salyan)



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**EKVITA**

Time Business Center, Floor 8, 4th Tramway Alley,  
Az1010, Baku Azerbaijan  
Tel: +994 12 310 04 56  
Email: [office@ekvita.com](mailto:office@ekvita.com)  
Website: [www.ekvita.com](http://www.ekvita.com)