

Approved by:
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Action Plan of the “Development of financial markets and getting credit” Working group of the Business environment and international ranking Commission for 2019

No	Indicators	Current status (2018)	Methodology	Action	Execution period	Responsible authorities	Responsible persons
Global Competitiveness Report							
1.	9.01 Domestic credit to the private	Rank: 99, Score: 33.6	The total value of financial resources provided to the private sector expressed as a percentage of GDP.	<p>Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group:</p> <ol style="list-style-type: none"> 1. Capitalization of the banking system and provision of liquidity, completion of the restructuring of non-performing assets; 2. Acceleration of taking action of loan guarantees and interest-subsidizing mechanisms; 3. Determination of suitable regulatory regime for business credit promotion (capital, caution requirements, etc.) 	June – July 2019	Financial Market Supervisory Authority, Ministry of Economy, Ministry of Finance, Ministry of Justice, Central Bank, Mortgage and Credit Guarantee Fund	<p style="text-align: center;">Tural Feyzullayev,</p> <p style="text-align: center;">Mehdi Hasanov, Gunduz Aliyev, Jamila Guliyeva, Toghrul Aliyev</p>

	sector						
2.	9.02 Financing of SMEs	Rank: 40, Score: 52.1	Response to the survey question “In your country, to what an extent can small- and medium-sized enterprises (SMEs) access finance they need for their business operations through the financial sector?” [1 = not at all; 7 = to a great extent] 2017–2018 weighted average or most recent period available	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Development of insurance market, application, application of agricultural insurance, microinsurance, and joint insurance types; 2. Review the opportunities for tax regime optimization for SMEs.	June – July 2019	Financial Market Supervisory Authority, Ministry of Economy, Ministry of Finance, Ministry of Taxes	Tural Feyzullayev, Mehdi Hasanov, Gunduz Aliyev
3.	9.03 Venture capital availability	Rank: 23, Score: 47.8	Response to the survey question “In your country, how easy is it for start-up entrepreneurs with innovative but risky projects to obtain equity funding?” [1 = extremely difficult; 7 = extremely easy] 2017–2018 weighted average or most recent period available	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Strengthen coordination among government agencies provide funding for start-ups; 2. Implementation of effective communication opportunities in the field of start-up financing.	February- March 2019	Ministry of Economy	Mehdi Hasanov

4.	9.04 Market capitalization	Rank: 119, Score: 0	The total value of listed domestic companies expressed as a percentage of GDP.	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Preparation and submission of proposals on the creation of a favorable environment for issuers and financial intermediaries; 2. Increasing opportunities for access to financial markets for investors.	June – July 2019	Financial Market Supervisory Authority, Ministry of Finance, Ministry of Taxes	Tural Feyzullayev, Gunduz Aliyev
5.	9.05 Insurance premium	Rank: 119, Score: 5.3	Life and non-life insurance premium volumes expressed as a percentage of GDP.	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Realization of campaigns to form insurance culture among the population at the required level (eg, demonstration of propaganda video materials in mass media, preparation, and dissemination of booklets, etc.); 2. Forming favorable conditions for the establishment of private pension funds; 3. Creation of new insurance products to cover non-insured part of the population with insurance products.	June – July 2019	Financial Market Supervisory Authority, Ministry of Economy, Ministry of Finance, Ministry of Labor and Social Protection	Tural Feyzullayev, Mehdi Hasanov, Gunduz Aliyev

6.	9.06 Soundness of banks	Rank: 92, Score: 57.8	Response to the survey question “In your country, how do you assess the soundness of banks?” [1 = extremely low banks may require recapitalization; 7 = extremely high banks are generally healthy with sound balance sheets] 2017–2018 weighted average or most recent period available	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Solve the problem of open currency position of the International Bank of Azerbaijan and accelerate the privatization process; 2. Capitalization of the banking system and provision of liquidity, solving the problem of non-performing assets in banks; 3. Revision of the legal framework for the protection of creditors’ rights, acceleration of court decisions and their execution processes and establishment of effective (time and expense) collateral mechanisms; 4. Improving corporate governance in banks in correspondence with international standards; 5. Organization of effective communication with the public on reforms in the banking sector.	June – July 2019	Financial Market Supervisory Authority, Ministry of Finance, Ministry of Justice, Central Bank, Ministry of Economy	Tural Feyzullayev, Gunduz Aliyev, Jamila Guliyeva, Toghrul Aliyev, Mehdi Hasanov
7.	9.07 Non-performing loans	Rank: 118, Score: 73.1	The ratio of the value of nonperforming loans divided by the total value of the loan portfolio of all banks operating in a country.	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group: 1. Formation of mechanisms for restructuring problem loans (judicial or out of court) in order to solve the problem of non-performing assets in banks; 2. Preparation and submission of proposals on strengthening the regulatory framework for managing credit risks and problem loans in banks; 3. Formation of the legal framework for securitization.	June – July 2019	Financial Market Supervisory Authority, Ministry of Finance, Ministry of Justice, Central Bank, Ministry of Economy	Tural Feyzullayev, Gunduz Aliyev, Jamila Guliyeva, Toghrul Aliyev, Mehdi Hasanov
Economic Freedom Index							
			The Index scores an	Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field			

8.	4.3 Financial Freedom	Score: 60	<p>economy's financial freedom by looking at five broad areas:</p> <ol style="list-style-type: none"> 1. The extent of government regulation of financial services, 2. The degree of state intervention in banks and other financial firms through direct and indirect ownership, 3. Government influence on the allocation of credit, 4. The extent of financial and capital market development, and 5. Openness to foreign competition. 	<p>by the Working Group:</p> <ol style="list-style-type: none"> 1. Wider coverage of the plans for the privatization of the International Bank of Azerbaijan and relevant taken measures, ensuring the necessary information exchange with the organization preparing the index; 2. Strengthen communication activities in relation to the measures taken to promote greater participation of foreign capital in the banking system and the latest trends; 3. Implementation of necessary communications measures related to the development of capital markets; 4. Taking measures to increase the access of foreign investors to the local financial market. 	June – July 2019	Financial Market Supervisory Authority, Ministry of Finance, Ministry of Economy, Central Bank, State Oil Fund	Tural Feyzullayev, Gunduz Aliyev, Mehdi Hasanov, Toghrul ALiyev, Bahruz Bayramov
<i>Global Opportunities Index</i>							
9.	Number of ATMs	Number of ATMs per each 100 thousand persons of the population		<p>Realization of relevant work in the following directions by the relevant institutions and rendering required support to them in this field by the Working Group:</p> <ol style="list-style-type: none"> 1. Carrying out work on the development of communication bonds in remote regions; 2. Revision of the duties applicable to the import of ATMs; 3. Taking measures for the development of the payment card market and expansion of operations with them. 	June – July 2019	The Ministry of Transport, Communications and High Technologies, Ministry of Finance, State Customs Committee, Financial Market Supervisory Authority, Central Bank	Gulru Huseynova, Gunduz Aliyeva, Rovshan Mammadov, Tural Feyzullayev, Toghrul Aliyev

10.	Credit coverage		The number is expressed as a percentage of the adult population	Carrying out relevant work in direction of expanding the scope of information in the Azerbaijani credit bureau and providing necessary support by the Working Group in this field.	June – July 2019	Financial Market Supervisory Authority, “Azerbaijan Credit Bureau” LLC	Tural Feyzullayev, Elchin Habibov
<i>Strengthening cooperation with local and international authorities</i>							
11.	All relevant indicators	-	-	Provision of regular cooperation with companies in the relevant field (resident and non-resident) participating in surveys on international rankings.	February-March 2019	All relevant authorities	All members of the Working group
12.	All relevant indicators	-	-	Establishing cooperation with the expert or Evaluation Group preparing Report and providing accurate information on the current indicator or legislation in the country by agreeing with the Secretariat of the Business environment and international ranking Commission.	February-March 2019	All relevant authorities	All members of the Working group