

# **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 establishes legal and organizational basis for maintenance of state registration and state registry of legal entities on the territory of the Republic of Azerbaijan.

#### ***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 Republic of Azerbaijan;

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

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 Republic of Azerbaijan 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 Republic of Azerbaijan;

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

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 on the territory of Azerbaijan, as well as representation and branches founded on the territory of the Republic of Azerbaijan 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 legal entities, representations or branches of foreign legal entities, registered on the territory of the Republic of Azerbaijan, as well as representations, branches, and other structures of legal entities, undergone the state registry on the territory of the Republic of Azerbaijan;

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

2.0.9-1. *public legal entity - structure defined as such by the Law of the Republic of Azerbaijan "On public legal entities";*

2.0.10. *limited liability company with local investments - limited liability company, established by the citizens of the Republic of Azerbaijan and (or) legal entity passed state registration in the Republic of Azerbaijan;*

2.0.11. *electronic state registration of a limited liability company with local investments - state registration of a limited liability company with local investments on the basis of the application and enclosed documents, ~~verified by enhanced electronic signature, having a qualified certificate~~ submitted to the relevant executive authority in an electronic manner;*

2.0.12. *urgent electronic state registration of a limited liability company with local investments - electronic state registration of a limited liability company with local investments, carried out in real time in accordance with Articles 5-1.3 and 5-1.7 of this Law, legal address of which coincides with the address of registration at the place of residence of an individual, acting as its sole founder;*

2.0.13. *electronic account - for the purposes of this Law, an individual electronic page, created in the information system of the body (organization), established by the relevant executive authority, allowing access by an electronic signature certificate and (or) code-password, issued by the body (organization), established by the relevant executive authority, ensuring the mutual exchange of information and documents with the body (organization), established by the relevant executive authority;*

2.0.14. *legal representative - a person or persons, having the authority to represent the structure in accordance with the charter (regulation);*

2.0.15. *limited liability company with foreign investments is a limited liability company established by a foreigner or stateless person, as well as a legal entity that has passed state registration in a foreign country;*

2.0.16. *electronic state registration of a limited liability company with foreign investments - state registration of a limited liability company with foreign investments (except for a limited liability company established as a result of reorganization) on the basis of an application and enclosed documents, approved by a foreigner and stateless person with strengthened e-signature and submitted to the relevant executive authority in electronic format.*

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

3.1. Legislation on state registration and state registry of legal entities in the Republic of Azerbaijan comprises of the Constitution of the Republic of Azerbaijan, this Law, Civil Code of the Republic of Azerbaijan, as well as other legislative acts of the Republic of Azerbaijan and international treaties, signed by the Republic of Azerbaijan.

3.2. Relations in the field of state registration and state registry of legal entities within Alyat free economic zone are regulated in accordance with the requirements of the Law of the Republic of Azerbaijan "On Alyat Free Economic Zone".

**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 Republic of Azerbaijan, 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, *public legal entities*, as well as representations or affiliates of foreign legal entities may implement activities only upon the state registration. *Implementation of activity by them without state registration shall entail responsibility in accordance with the law.*

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

*4.2-1. Non-governmental organizations of foreign states may establish one representative or branch office on the territory of the Republic of Azerbaijan.*

4.3. The state duty is paid in the amount and manner stipulated under the legislation of the Republic of Azerbaijan for registration of structures (*except for the electronic state registration of a limited liability company with local or foreign investments*), representations or branches of foreign legal entities desiring to obtain the status of legal entity, taking into consideration peculiarities of commercial and non-commercial legal entities, *public legal entities, as well.*

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 Republic of Azerbaijan, 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 business days shall be taken into consideration when calculating the terms, stipulated by this Law.*

*4.6. It is unacceptable to submit inaccurate information to the relevant executive authority of the Republic of Azerbaijan during the state registration of structure, wishing to receive the status of a legal entity, representation or branch of a foreign legal entity, as well as entering the representatiion or branch, and other structures of a legal entity,*

*passed state registration in the Republic of Azerbaijan, into the State Register, and state registration of subsequent changes of registered facts and changes made in the constituent documents.*

## **Chapter II. State Registration of Legal Entities**

### **Article 5. On the structure applied for state registration as a legal entity**

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

5.2. The application is signed by the founder (if there are several founders - by all founders), *by a legal representative (legal representatives) or a trustee appointed by them* in the appropriate order and notarized.

5.3. The application shall include:

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

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

*5.3.2-1. if the founder is a state - the name of the state structure, authorized to establish, its legal address, taxpayer identification number (if available), if the founder is a municipality - the name of the municipality, its legal address, taxpayer identification number;*

*5.3.2-2. information regarding the legal address of a public legal entity and a commercial entity (location of a permanent body);*

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

*5.3.4. other information set forth in the form of a statement approved by the relevant executive authority.*

5.4. Following documents are attached to application:

*5.4.1. constituent documents – charter of the structure, approved by the founder(s) or its (their) authorized representative, applying for legal entity status, and in respect of public legal entities - the charter approved in the order established by the Law of the Republic of Azerbaijan "On Public Legal Entities", as well as the decision to establish this structure, approval of charter and formation of governing bodies (the constituent documents signed by all the founders (or their authorized representatives), should reflect*

*the issues stipulated by the Civil Code of the Republic of Azerbaijan, as well as other matters deemed necessary by the founders);*

5.4.2. document on payment of state duty;

5.4.3. if the founder is a 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 natural person - a copy of a document proving his identity;*

*5.4.4-1. if the founder (founders) and legal representative (representatives) of non-governmental organization, as well as the legal representative (representatives) of the branch or representative office of a foreign non-governmental organization is a foreigner or a stateless person who has the right of permanent residence in the Republic of Azerbaijan - a document confirming their right to permanent residence;*

5.4.5. document, verifying the legal address (*information about location of the permanent body, as well as headquarters of the governing bodies within political party*) of the *non-profit* structure, wishing to obtain the status of legal entity;

5.4.6. ~~when appointing~~ a copy of the document proving the identity of the legal representative;

5.4.7. document, evidencing payment of the authorized capital in funds;

5.4.8. document on the appointment of deputy heads of branches or representative offices of non-governmental organizations founded by foreigners or foreign entities;

5.4.9. opinion of the relevant executive authority on the state registration of non-profit legal entities, charter of which contains the activities related to the promotion of religious values.

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 Republic of Azerbaijan, and copy is returned to applicant with note indicating the date of accepting the original one by the relevant executive authority of the Republic of Azerbaijan. 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 Republic of Azerbaijan, 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 5-1. Electronic state registration of the limited liability company with local investments**

*5-1.1. At the request of the founder(s) the state registration of the limited liability company with local investments (with the exception of establishment as a result of the reorganization) is carried out in an electronic manner. Electronic state registration is carried out within a normal (i.e. within the period provided by Article 7-1 of this Law) or an expedited basis. In order to conduct electronic state registration of this company, you must complete the application form posted on the informational Internet resource of the body (organization), established by the relevant executive authority after passing the appropriate authentication. If during electronic state registration the founder (founders) and legal representative (legal representatives) are not the same person, the application must be certified by the founder (founders) and legal representative (legal representatives) with the enhanced electronic signature.*

*5-1.2. In the course of the usual electronic state registration of ~~internally invested limited liability company, the founder(s)~~ the charter shall be enclosed to the electronic application, ~~certified by an enhanced electronic signature.~~*

*5-1.3. In the course of urgent electronic state registration of a limited liability company with local investments, founder-individual fills out the electronic application form, declaring only the sole authority of the executive authority and the scope of activities. In this case, the founder reviews the company's charter in real time and certifies it with enhanced electronic signature.*

*5-1.4. In the course of electronic state registration, only legal entity having the taxpayer identification number may act as a founder-legal entity. In this case, the relevant executive authority shall attach to the application a copy of the electronic certificate of state registration of the founder (extract from the state register) and its charter, following which the notarization of these documents is not required.*

*5-1.5. In the course of electronic state registration, only individuals, registered at the place of residence on the territory of the Republic of Azerbaijan shall be appointed as a legal representative, the head (members) and members of the executive board of directors (supervisory board) of a limited liability company with local investments.*

*5-1.6. In the course of usual state registration, a confirmation notice of receipt of the application is sent to the electronic account of the applied person in an order established by the relevant executive authority. On the day of state registration of a limited liability company with local investments, the certificate on state registration, an extract from the state register and a charter should be sent to the electronic account.*

*5-1.7. From the moment of carrying out of urgent electronic state registration of a limited liability company with local investments, the state registration certificate, extract from the State Register and charter should be sent to the electronic account in real time.*

*5-1.8. After the state registration of a limited liability company with local investments in an electronic order, information about the beginning of the company's business activities, certified by enhanced electronic signature of the legal representative (representatives) within 2 business days should be sent to the body (organization), established by the relevant executive authority.*

*5-1.9. In the course of the state registration of a limited liability company with local investments, in order to identify a mobile number, an answer to the request of the authority (organization), established by the relevant executive authority must be provided by mobile operators in real time.*

## **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. regulations, approved by foreign legal entity, establishing the representation or branch, or its authorized representative (the regulations 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);

*6.1.1-1. in addition to the information stated in article 6.1.1 of this Law, in the regulations of a branch or representative office of a foreign non-governmental organization shall also be indicated the name of the structure, which conducted registration of the company, established a branch or representative office, legal address of the branch or representative office, subject of activity, authorities of the head.*

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

*6.1.2-1. agreement, relating to the state registration of branches or representative offices of non-governmental organizations of foreign states 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 Republic of Azerbaijan in the country of residence of the legal entity, or diplomatic representation of other country, representing the interests of the Republic of Azerbaijan

in this country (in the event of absence of such, as an exception — by relevant executive authority of the Republic of Azerbaijan);

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. *The document on the appointment of the head of the branch or representative office of a non-governmental organization of a foreign state shall indicate his term of office;*

6.1.6. *document on the appointment of deputy head of the branch or representative office of a non-governmental organization of a foreign state.*

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 5 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 certificate, etc. (at this, the document in accordance with procedures stipulated under the legislation can be legalized by the diplomatic representation of the Republic of Azerbaijan in the country of residence of legal entity, or diplomatic representation of other country, representing the interests of the Republic of Azerbaijan in this country (in the event of absence of such, as an exception — by relevant executive authority of the Republic of Azerbaijan);

~~7.1.2. if the founder is the foreigner or the person without citizenship, — copy of the document, verifying his identity, as well as document, legalized 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 structure with foreign investments founded by *foreign citizens* 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 Republic of Azerbaijan.

***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, seeking for the status of legal entity, as well as representations and branch offices of a foreign legal entity, as well as electronic state registration of a limited liability company with foreign investments shall be held not later than within 2 days. State registration of a limited liability company with local investments in the course of urgent electronic state registration is conducted forthwith and in the course of the usual e-state registration - no later than within 1 day.*

**Article 7-2. Electronic state registration of a limited liability company with foreign investments**

*7-2.1. To conduct electronic state registration of a limited liability company with foreign investments, a foreign citizen or a stateless person shall fill in the form of an electronic application placed in the Internet resource of the relevant executive authority and approve it with a strengthened e-signature.*

*7-2.2. In the process of electronic state registration, the founder (founders) shall provide information on the area of his activity, acquaint himself in real time with the charter prepared by the software according to the information he has provided and approve it with strengthened e-signature.*

*7-2.3. In the process of electronic state registration, a scanned document confirming the legal address of a limited liability company with foreign investments in the Republic of Azerbaijan and its scanned copy translated into the Azerbaijani language are attached to the application.*

*7-2.4. In the process of electronic state registration, the confirmation of the receipt of the application is sent to the electronic account of the person applying in the form specified by the relevant executive authority. On the day of state registration of the limited liability company with foreign investments, a certificate on state registration, an extract from the state register and the charter are sent to its electronic account.*

**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 Republic of Azerbaijan for review, and within 30 days their compliance with the Constitution of the Republic of Azerbaijan, this Law and other legislative acts of the Republic of Azerbaijan 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 Republic of Azerbaijan 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 article*, no refusal will be submitted on state registration, these structures shall be deemed as registered by the state. In this case, the relevant executive authority of the Republic of Azerbaijan no later than within 10 days shall issue the certificate on state registration to the applicant.

8.6. Excluded

***Article 8-1. The procedure for state registration of a public legal entity***

*The state registration of a public legal entity must be carried out by the relevant executive authority no later than 2 business days on the basis of the authorised person's application upon the entry into force of the legal act of the relevant executive authority or municipality on approval of the charter of this public legal entity.*

***Article 9. Registration of subsequent changes of registered facts, and changes in the constituent documents***

9.1. Each change to the constituent documents of legal entities, representations and branches of foreign legal entity, as well as each subsequent 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 Republic of Azerbaijan. 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.

*9.2-1. The relevant executive authority directly receives and registers the following information on commercial structures and public legal entities, and there is no need to carry out the actions provided for in the first and second sentences of Article 9.2 of this Law:*

*9.2-1.1. changes made to the constituent documents and registered facts as per the acts of the relevant executive authority;*

9.2-1.2. changes to the data of documents proving the identity of persons as per registered facts.

9.2-2. The information specified in Article 9.2-1.1 of this Law shall be obtained on the basis of the acts of the relevant executive authority, and the information noted in Article 9.2-1.2 of this Law - from the relevant executive authority online and became registered within 5 days.

9.3. Changes made to the constituent documents of legal entities, except for cases envisaged by the Article 9.2.-1.1, and branches or representative offices of foreign legal entities, as well as each subsequent change in the facts, registered in the state register in relation to legal entities, enter into force only after the state registration. Legal entities and branches or representative offices of foreign legal entities are not entitled to engage in any activity on the basis of the changes that have not entered into force.

9.4. If, when considering the documents for registration of changes in the constituent documents of legal entities, branches or representative offices of foreign legal entities, as well as each subsequent change in the facts, registered in the state register, it will be revealed that any change in connection with the organization was not previously provided for registration in the manner provided in this Law, then the organization should eliminate the identified fault, incurring liability under the Code of Administrative Offences.

**Article 9-1. Electronic registration of changes in constituent documents of the limited liability company and subsequent changes of registered facts**

9-1.1. For state registration of any change made in the constituent documents of the limited liability company (except for cases of reorganization), as well as of each subsequent change of the registered facts, one could apply for the relevant executive authority of the Republic of Azerbaijan. In case when the change does not contradict the requirements of Articles 5-1.5 and 11.3 of this Law, the relevant executive authority should register a change within 3 days.

9-1.2. When applied for, an electronic application filled in the internet information resource of the relevant executive authority of the Republic of Azerbaijan should be completed and a scanned copy of the documents confirming the change should be attached to the application and approved by an enhanced electronic signature.

9-1.3. When a legal representative (legal representatives) applying for registration of a change, the application must be approved by an enhanced electronic signature of both the founder(s) and the legal representative (legal representatives), as well.

9-1.4. The data entered for state registration of changes in the constituent documents and subsequent amendments of registered facts should be approved by enhanced electronic signatures of founders or members of the governing body, respectively. In the

*case of changes to the Charter, the amendment draft is prepared by the software based on the information provided. Thus, the founder (founders) can observe an amendment to charter in real time and approve it with an enhanced electronic signature.*

*9-1.5. Within state registration of amendment, the extract from state registry and other amended documents (amendment to charter, state registration certificate) should be sent to the electronic office of the limited liability company on the date of entering the state registry.*

*9-1.6. By the request of founder (s) or his/her (their) duly authorized representative, the extract from state registry and other amended documents (amendment to charter, state registration certificate) should be approved and provided in hard copies, as well.*

*9-1.7. Data on the notary actions carried out in connection with the change in the share capital of a limited liability company should be submitted to the relevant executive authority online by the relevant executive authority.*

*9-1.8. In a case when founder is a foreigner or stateless person, the state registration of changes in the constituent documents of a limited liability company with foreign investments and subsequent change of the registered facts (with the exception of founder changes) should be carried out in accordance with this Article.*

#### **Article 10. Excluded**

#### **Article 11. Provision of lawfulness in application of the Law**

11.1. With exception of basis stipulated under the legislation of the Republic of Azerbaijan, refusal is not allowed on any other basis 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 Republic of Azerbaijan on the basis of 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 or branch undergone the state registration in the Republic of Azerbaijan, as well as state registration of changes introduced into constituent 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 Republic of Azerbaijan to the [Constitution of the Republic of Azerbaijan](#), this law and other legislative acts;

*11.3.1-1. if the information provided in the application and (or) attached documents is unreliable;*

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

*11.3.2-1. if charters of non-governmental organizations stipulate appropriation of powers of governmental and local self-governing organizations, as well as functions of state control and inspection;*

11.3.3. in the event of violation of law on protecting trade names, or in the event of registration of non-commercial organization under the same name, *using names of governmental organizations of the Republic of Azerbaijan, as well as names of famous personalities of Azerbaijan (without the consent of their relatives or heirs) in the name of non-governmental organizations;*

11.3.4. in the event, if deficiencies founded by the relevant executive authority of the Republic of Azerbaijan, 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 or branch undergone the state registration in the Republic of Azerbaijan, as well as state registration of changes introduced into constituent 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 Republic of Azerbaijan.

*11.4-1. In case of the state registration of the change in the name of legal entities, branches or representative offices of foreign legal entities, seals of these organizations must be handed over to the relevant executive power authority. Before handover of the seal to the relevant executive authority, documents confirming the state registration of changes, made in constituent documents and subsequent changes in the facts recorded in the register, shall not be issued. In case of loss of the seal, the announcement thereof, published in the press and the certificate that the relevant executive authority has not found it should be provided.*

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 or branch undergone the state registration in the Republic of Azerbaijan, as well as state registration of changes introduced into constituent 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 Republic of Azerbaijan.

### **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 Republic of Azerbaijan.

12.2. State register of legal entities is kept on a basis of single sample, methods and principles.

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

*12.3-1. State registration of branches and representative offices of non-governmental organizations is not required. The organization shall notify the relevant executive authority on establishment of a branch and (or) representation within ten days.*

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. Excluded

12.8. The state register is comprised of:

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

12.8.2. information on introduction of changes to constituent documents *and each subsequent change in the recorded facts*;

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

*12.8.3-1. information on the notifications, given to the non-governmental organizations and branches or representative offices of non-governmental organization of foreign*

*states, issued instructions and their execution, as well as ~~the suspension and renewal of activities~~, solution of property issues of liquidated structure in accordance with the Civil Code of the Republic of Azerbaijan;*

*12.8.3-2. information on the suspension and restoration of the activities of affiliates or representative offices of political parties, trade unions, non-governmental organizations and foreign non-governmental organizations;*

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

12.9. The state register of legal entities is maintained by years and by each territorial and administrative unit (district or city) of the Republic of Azerbaijan. By the decision of relevant executive authority of the Republic of Azerbaijan 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 entity, as well as representation or branch of foreign legal entity.

12.11. Procedure for maintenance of state registry and *form of state registry book* is established by the relevant executive authority of the Republic of Azerbaijan.

*12.12. Forms for the certificate on state registration, extracts from the state register and registration application (~~including electronic application~~) are approved by the relevant executive authority of the Republic of Azerbaijan and ~~posted on its website.~~*

### **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. The certificate, issued to legal entity, as well as branches or representations of foreign legal entities, passed the state registration and the extract from the state registry of ~~subjects of business activity~~ shall contain the taxpayer identification number, which has a single code in the Republic of Azerbaijan.*

13.4. Certificate of state registration of a legal entity and an extract from the state registry are the basis for the identification of its branch or representative office.

### **Article 14. Information included into the state register**

14.1. Records in the state registry should include the following information on structures entered the state register:

14.1.1. name of structure (firm);

14.1.2. legal address of structure (*information about location of the permanent body, as well as headquarters of the governing bodies of political party*);

14.1.3. organization and legal form of structure;

14.1.4. fiscal year;

14.1.5. *taxpayer identification number (for business and public legal entities), registration number of nonprofit entities;*

14.1.6. first name, surname, 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; *information mentioned in Article 5.3.2-1 of this Law, if the founder is a state or a municipality;*

14.1.7. first name, surname, 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 Republic of Azerbaijan or outside of the Republic of Azerbaijan;

14.1.9. *information on liquidation process of the structure;*

14.1.10. *information on liquidation of the structure.*

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. 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 *the Board of Directors (Supervisory Board)* — first name, surname, middle name and resident address of each member;

14.2.3. non-commercial organizations — scope of activities and objectives, area of activity, *the date of expiry of the permit for permanent residence of the founder (founders) of the structure, which is a foreigner or a stateless person, number of*



*members of public organizations, in foundations — information on members of the board of trustees, charter capital of the foundations and volume of property share of founders;*

*14.2.3-1. public legal entity - the amount of the charter fund, the amount of property contributed by the founder; in case of the establishment of a board of directors (supervisory board), the name, surname, patronymic and residence of each of its members;*

*14.2.4. branches or representative offices of foreign non-governmental organizations - information about the founders of foreign non-governmental organization, which has a branch or representative office in the Republic of Azerbaijan, term of office of the head of a branch or representative office and his deputy, including the name, surname, patronymic, citizenship, place of residence of the head and deputy, as well as information on validity interval of agreement on state registration, termination and resrtoration of activity.*

*14.2.5. non-governmental organizations and branches or representative offices of foreign non-governmental organizations - information on composition of the organization's executive bodies and term of office, the expiry date of a permanent residence permit of the legal representative (representatives) of the structure, which is a foreigner or a stateless person, and solution of property issues of liquidated structure in accordance with the Civil Code of the Republic of Azerbaijan, notifications, instructions before the structure, and their execution, ~~as well as termination and resrtoration of activity.~~*

## **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 Republic of Azerbaijan, documents provided for state registration and inclusion into the state register are submitted to the archive.

15.2. Each state registered structure and (or) which entered the state registry should be provided with *the extract from the state registry at the moment of state registration or inclusion into the state registry* by the relevant executive authority of the Republic of Azerbaijan.

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

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 Republic of Azerbaijan. 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 (*except for information about the founders (participants) of business legal entities and their shares in the authorized capital*) shall be published in the official newspaper of the Republic of Azerbaijan.

15.7. Extracts from state registry (*except for information about the founders (participants) of business legal entities and their shares in the authorized capital*) may also be provided to third parties on the basis of enquiry.

15.8. Extracts from state registry (*except for information about the founders (participants) of business legal entities and their shares in the authorized capital*) 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.

15.9. *Information about the founders (participants) of business legal entities and their shares in the authorized capital are available upon request for*

15.9.1. *court, bodies of investigation and inquiry in cases and in the order established by law;*

15.9.2. *the subjects of operative-search activity in cases and in the order established by the Law of Republic of Azerbaijan "On operative-search activity";*

15.9.3. *financial monitoring authority in cases and in the order established by the Law of Republic of Azerbaijan "On Anti-Money Laundering Measures and the Financing of Terrorism", as well as monitoring participants and other persons participating in monitoring in the manner established by the relevant executive authority;*

15.9.4. *enforcement authority in cases and in the order established by the Law of Republic of Azerbaijan "On execution";*

15.9.5. *advocate in cases and in the order order established by the Law of Republic of Azerbaijan "On Lawyers and Advocacy";*

15.9.5-1. *notary public in cases and in the order established by the Law of the Republic of Azerbaijan "On Notary";*

15.9.6. *other founders (participants) of this business legal entity;*

15.9.6-1. *the heirs of the founders (participants);*

15.9.7. *third parties with the permission of the person in respect of which information was inquired from the state register.*

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

16.1. *For inclusion in the state register of legal entities of information that the legal entity is in the process of liquidation, the liquidation commission (liquidator) should apply with the statement to the relevant executive authority of the Republic of Azerbaijan within 15 days from the date of its appointment.*

16.1-1. *The following documents shall be enclosed with the statement, mentioned in article 16.1 of this Law:*

16.1-1.1. *decision on liquidation;*

16.1-1.2. *official statement confirming solvency;*

16.1-1.3. *document, confirming the publication of primary data on liquidation of the legal entity, order and periods of submission of creditors' claims in the print media, which publishes information on state registration of legal entities in the Republic of Azerbaijan, and seal.*

16.1-2. *If the submitted documents do not contradict the requirements of Article 11.3 of this Law, the information that entity is in the process of liquidation shall be entered in the register within 5 days.*

16.2. *Within 10 days after division or use of the residual property the liquidation commission (liquidator) shall submit to the relevant executive authority of Republic of Azerbaijan the following documents for the exclusion of legal entity from the state register:*

16.2.1. *liquidation balance sheet;*

16.2.2. *document which confirms the report, reflecting the plan of division (use) of the residual property and provision of this property to the participants (in regard to the non-profit organization - its use in accordance with Articles 114.3, 116.3 and 117.7 of the Civil Code of Republic of Azerbaijan);*

16.2.3. *original of registration certificate and charter (regulations) of the legal entity, a well as seal with the inscription on «in the process of liquidation»;*

16.2.4. *certificate of the structure, established by the relevant executive authority on the withdrawal of shares from circulation in joint-stock companies;*

*16.2.5. in the case of liquidation of the legal entity in the form of reorganization - the act of transfer or separation balance sheet together with the documents stipulated by Articles 16.1-1.1, 16.1-1.3, 16.2.3 and 16.2.4 of this Law.*

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 Republic of Azerbaijan, and copy with note indicating the time of acceptance of application by the relevant executive authority of the Republic of Azerbaijan 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 Republic of Azerbaijan 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 *documents* shall take the decision on exclusion of the structure from the registry.

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

16.7. Upon resolution of deficiencies the relevant executive authority of the Republic of Azerbaijan 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 on liquidation of a structure are made to the registry. *Legal entities, as well as branches and representative offices of foreign legal entities, which have been excluded from the state register, can not carry out their activities.*

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.~~

*16.9. The rules set by the Civil Code of Republic of Azerbaijan and this Law for the liquidation of legal entities shall apply in the course of liquidation of branches or representative offices of foreign legal entities. Non-renewal of the validity terms for agreement signed in connection with the state registration of branches and representative offices of non-governmental organizations of foreign states in Republic of Azerbaijan is the basis for the liquidation of this branch or representative office.*

*16.10. In a case of merger of the non-governmental organization of a foreign state with another organization, association with it or separation, change of its organisational and legal form, its branch or representative office in the territory of the Republic of Azerbaijan is liquidated.*

## **Article 17. Notification on state registration**

*After the state registration and entry of a legal entity, representative office or branch of a foreign legal entity into the state register, as well as in case of liquidation of these structures taken for state registration and records in the state register, the relevant executive authority informs about it the relevant executive authority.*

#### **Article 18. Publicity of state register**

18.1. *With the exception of information about the founders (participants) of business legal entities and their shares in the authorized capital, 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 Republic of Azerbaijan by the requirement of any interested person shall provide the information on state registration or refusal of state registration of legal entity.*

18.2. *Information (with the exception of information about the founders (participants) of business legal entities and their shares in the authorized capital) on state registration and inclusion into the state registry of legal entities, as well as representations or branches of the foreign legal entities, and other information, stipulated by the law, related to organization and activities of legal entities, 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 Republic of Azerbaijan.

#### **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 Republic of Azerbaijan «On state registration of legal entities» from February 6, 1996, No. 17- IQ, within 1 year from the enforcement date of this Law shall be submitted by the registering authorities to the relevant executive authority of the Republic of Azerbaijan. 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 Republic of Azerbaijan «On state registration of legal entities» from February 6, 1996, No. 17- IQ shall be deemed invalid.

***President of the Republic of Azerbaijan***

***Ilham ALIYEV***

***City of Baku, December 12, 2003***

***No. 560-IIQ***

***With amendments according to Law No. 793-IIQD, December 3, 2004; No. 970-IIQD, June 28, 2005; No. 45-IIIQD, December 30, 2005; No. 543-IIIQD, February 7, 2008; No. 952-IIIQD, 12 February, 2010; No. 284-IVQD, 30 December, 2011; No. 382-IVQD, June 12, 2012; No. 820-IVQD, November 22, 2013; No. 848-IVQD, December 17, 2013; No. 991-IVQD, June 20, 2014; No. 1078-IVQD, October 17, 2014; No. 1116-IVQD, November 28, 2014; No. 1352-IVQD, October, 6, 2015; No. 190-VQD, April 5, 2016; No. 324-VQD, September 30, 2016; No. 619-VQD, April 14, 2017; No. 586-VGD, 14 April, 2017; No. 796-VGD, 2 October, 2017; No. 1303-VGD, 30 October, 2018; No. 1447-VGD, 28 December, 2018***