



### **New Law on Standardization to Come into Effect**

On 16 July 2019, Law No 1587-VQ of the Republic of Azerbaijan, *On Standardization*, dated 17 May 2019 was promulgated. The Law will enter into force in 90 days and will, as of 14 October, replace the previous Law No 60-IQ, *On Standardization*, dated 16 April 1996.

The Law sets out some of the purposes of standardization and includes among others the following:

- creation of unrestricted turnover of goods and elimination of unnecessary technical obstacles in international trade;
- ensuring technical, technological and informational compatibility of goods and their spare parts;
- adaption of state standards to international standards and ensuring state economic interests are considered in regional and international standardization; and
- protection of state interests during procurement.

In addition to the said purposes some of the following standardization principles were introduced:

- preparation and adoption of standardization normative documents based on consensus of interested parties;
- transparency of standardization;
- application of science, technological achievements, advanced experience and technologies in the development of standardization documents;
- elimination of inconsistencies between various standardization documents;
- preventing adoption of standardization documents damaging human life and health, environment, property and state interests;
- considering consumers' expectations and market's demands; and
- voluntary nature of standards.

Moreover, the Law reduced the list of standardization documents and the same are now limited to technical requirements, national, regional, interstate and international standards, as well as standards of foreign countries. Technical-economic and social-informative classifications, enterprise standards, standards approved by science-technological and engineering societies and other public associations are no longer considered standardization documents.

In addition to the above, important provisions related to adoption of state standards were introduced. That is to say, the documents relevant to the proposed state standards must be published on the official website of the state standardization body and public discussions in connection thereto shall take place during 60 calendar days on the said official website. A technical committee must review each opinion expressed during this timeline and provide in one month a grounded response to the author of the opinion.

Technical committees approve the state standards based on consensus and once consent of all concerned parties is received and response is provided in relation to opinions not taken into account, the technical committee sends a standard to the state standardization body for approval.

## Commercial Courts Introduced

Changes made to Law No 30-IQ, *On Courts and Judges*, dated 10 June 1997, introduce as of 2020 commercial courts.

The commercial courts will act as courts of first instance. Based on geographic division, there will be six such courts in total that will administer commercial cases:

- the Baku Commercial Court;
- the Ganca Commercial Court;
- the Sumqayit Commercial Court;
- the Sirvan Commercial Court;
- the Saki Commercial Court; and
- the Naxcivan Autonomous Republic Commercial Court.

The Commercial Court of the Naxcivan Autonomous Republic will be in the Republic's capital, the City of Naxcivan, covering the entire territory of the Autonomous Republic.

Each commercial court shall consist of a chairman and judges and, in case the number of judges is twelve and more, then the deputy chairman position is established.

## Foreign Funding

Effective 5 July 2019, state-controlled companies are engaged (along with the central and local authorities) in coordination of foreign funding. Such companies are required to seek authorisation from the Cabinet of Ministers to negotiate and sign any agreements to obtain technical assistance or grant in the name of the Republic of Azerbaijan or its government. A signed agreement will need to be approved by the Cabinet of Ministers; if it contains any provisions inconsistent with Azerbaijani laws or presidential decrees, the approval shall be from the parliament or the President, respectively.

By another decree, state-controlled companies shall provide information of foreign funded (loans, technical assistance, and grants by foreign states and international organisations) SME development programs to the Republic's Agency for Small and Medium Business Development. The companies will inform the Agency of, among others, the objectives of so funded programs, type and size of aid received by each concerned SME, and terms and impact of the aid. The companies shall select SMEs eligible for a foreign funded aid from the registry of SMEs.

The Agency will assess the impact of foreign funded programs on SMEs' development and, based on its assessment, make proposals on programs to seek financing from foreign states and international organisations.

**PLEASE CONTACT US FOR ANY QUESTIONS AND FURTHER INFORMATION AT:**

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