

### **Labour Code Revised**

Under Law No 875-IVQD, dated 27 December 2013, of the Republic of Azerbaijan, the Labour Code of the Republic was revised. In relation to enforcement of the Law and to implement it, Decree No 100, dated 3 February 2014, of the President of the Republic was promulgated. The Decree issues instructions to relevant executive authorities for preparation in one month of regulations for obtaining in real time of information of notifications of registered employment agreements, creation of technical infrastructure for electronic information system for employment agreement notifications, and for steps necessary to instruct employers and employees of the system's functions as well as to enter into the electronic information system for employment agreement notifications of written employment agreements made and effective to date.

Under the amendments to the Labour Code, a notion of an employment agreement notification was introduced. An employment agreement notification is an electronic document entered by an employer into the electronic system of the Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan to e-register making, amending, and terminating of an employment agreement.

Under Section 7 of the Labour Code, employment relations arise upon entering into a written agreement. Similarly, under Section 49 of the Code, an employment agreement would come into force from the moment it is signed by the parties. Following the revisions, employment relations arise and employment agreement comes into effect after the registration of an employment agreement notification entered into the electronic information system and notification of the employer of the same. Under Sub-Section 49.2 of the Labour Code, an employer is notified in an electronic manner through the system in one business day of registration of the employment agreement notification entered into the electronic information system.

Under the amendment to Section 43 of the Labour Code, the scope of terms and conditions to be included into an employment agreement has been broadened. For instance, PIN code of an employee's ID must be included among the information of the employee in the agreement. Also, the number of an employee's (except for those who start employment history) state social insurance certificate as well as the information of whether the employment is the principal or additional of the employee must be added to the information of the employee.

The scope of the information of the employer in an employment agreement has also been expanded. If an employer is an entity, its name, tax ID number, insurer's registration number, and legal address and, if an individual, his/her full name, tax ID number, number of state social insurance certificate, address, name, series, number, PIN code (personal identification number), date of issue, and issuing authority of the document proving identity must be included in the employment agreement.

The Decree instructs the Cabinet of Ministers to prepare the form of an employment agreement notification as well as the regulations for entering it into the electronic information system, the form of the notification sent to the employer for registration of the employment agreement notification, and the regulations of accessing in real time the information of a registered employment agreement notification.

By Resolution No 183, dated 6 June 2014, the Cabinet of Ministers of the Republic of Azerbaijan approved the form of an employment agreement notification, the regulations for entering it into the electronic information system, the form of notification sent to the employer for registration of the employment agreement notification, as well as the regulations of accessing in real time the information of a registered employment agreement notification. The Resolution approves the forms of employment agreement notifications in relation to entering into an employment agreement, revising an employment agreement as well as termination of employment.

Electronic registration of entering into, revising and terminating an employment agreement is being implemented beginning 1 July 2014; all entities as well as sole proprietors must enter employment agreement notifications into the single electronic database of the Ministry of Labour and Social Protection of Population through Asan Imza (E(asy)-Signature).

Also, Law no 877-IVQD, dated 27 December 2013, of the Republic of Azerbaijan concerning amendments to the Tax Code of the Republic was adopted. Pursuant to the amendments, a financial sanction in the amount of AZN1,000 is imposed on an employer for accommodating income concealment (understatement) of individuals engaged by the employer for the discharge of any works and services without an employment agreement (contract) entering into effect in a manner established by the Labour Code.

Adopting amendments to the Labour and Tax Codes of the Republic of Azerbaijan is an important step in securing employment rights of employed population, preventing illegal labour, and increasing state control of the labour market. The revisions will accommodate the employees' ability to enforce rights *vis-à-vis* the employers, facilitate obtaining by employees of employment and salary statements, are expected to result in increase of collected social insurance contributions and tax revenues, and facilitate adequate pension provision of the population. Employment agreement notifications are important to prevent failures to report jobs as well as tax evasion through concealing actual salary amounts, to protect employees' rights, and to improve the state social protection.

#### **Further Restrictions of GMO Foodstuff**

Law No 775-IVQD, dated 22 October 2013, of the Republic of Azerbaijan amending Law of the Republic of Azerbaijan, *On Foodstuff*, was adopted. The amendments prohibit the state hygienic registration of foodstuff and dietary supplements that are genetic materials of genetically modified plants and use of those substances for production of foodstuff.

In relation to the above Law, amendments were introduced to the Laws of the Republic of Azerbaijan approving the lists of items disallowed (excluded) from the civil turnover and items that can belong to certain participants of the civil turnover and require a special permit to be in the turnover (items of restricted civil turnover). Pursuant to the amendments, genetically modified plants that are not intended to be used in scientific research, tests, or for display at exhibitions, agricultural plant materials created through the use of modern biotechnology and gene diversity methods, and foodstuff produced with the use of genetic materials of genetically modified plants not intended to be used in scientific research, tests, or for display at exhibitions are added to the list of items disallowed (excluded) from the civil turnover.

Additionally, under the amendments introduced to the law approving the list of items that can belong to certain participants of the civil turnover and require a special permit to be in the turnover (restricted items), foodstuff produced with the use of genetic materials of genetically modified plants intended to be used in scientific research, tests, and for display at exhibitions was added to the list of restricted items.

The above Laws come into force as of 1 January 2015.

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