



LAW OF REPUBLIC OF AZERBAIJAN ON FOOD SAFETY

Law No 523-VIQ, dated 5 May 2022, of the Republic of Azerbaijan, *On Food Safety*, was promulgated on 25 June. The Law, bringing new governance to a branch already subject to a relatively detailed regulation, will apply to relations aimed at ensuring life and health of humans and animals as well as safety of foodstuffs and feed products in order to protect rights of consumers.

The Law comes into effect as of 2023; the listed four sections of the Law shall, depending on the subject and object of regulation, come into effect on later dates. Upon the new Law's coming into effect, Law No 759-IQ of 1999, *On Foodstuffs*, will cease to be effective.

The following comprise the subjects of regulation by the new Law: (i) primary production, production and processing, importation into, turnover, utilization, and disposal of foodstuffs in Azerbaijan, (ii) materials and products coming into contact with foodstuffs, production and processing of them, (iii) primary production, production and processing, and importation into Azerbaijan of feed, as well as (iv) primary production, production, processing, turnover, utilization and disposal of feed for food-producing animals and animals not so producing.

The promulgated Law does not apply to foodstuffs prepared for personal consumption as well as those being brought into Azerbaijan by individuals or by mail deliveries or relations to ensure safety of foodstuffs and feed in the Alat Free Economic Zone.

The Law includes the list of products considered foodstuffs. The definition of foodstuffs includes unprocessed, semi-processed, and fully processed products intended for human nutrition as well as food additives (supplement), biologically active foodstuffs, food raw materials, drinks (alcoholic and non-alcoholic), drinking water (bottled), salt, and chewing gum. Feed products, live animals not ready for consumption, seeds, unharvested plants, medicines, perfumery and cosmetics, tobacco and tobacco products, drugs and psychotropic substances, and contaminants are not included into the foodstuffs.

The Law provides for maintaining of the food safety register, registration of products, and the general requirements for the public control of certification of foodstuffs and feed, including production and processing of foodstuffs and feed, as well as implementing, in the processes of food consumption, of the Hazard Analysis and Critical Control Points (HACCP) principles.

AMENDING LABOR AND TAX CODES

The amendment made by Law No 529-VIQD of 13 May 2022 to the Labour Code of the Republic of Azerbaijan provides for additional cases to terminate an employment agreement in the circumstances beyond parties' control. The circumstances include an individual employer's demise, arrest, limited capacity or incapacity, being wanted for a crime, and deportation of a non-Azerbaijani or stateless employer from Azerbaijan.

Under another amendment to the Labour Code, a notification of employment agreement made in the electronic system can be considered terminated based on a decision of the State Labour Inspection Service.

Under Law No 534-VIQD, dated 13 May 2022, making amendments to the Tax Code, dividends paid for shares and bonds publicly offered and admitted for trading at regulated markets, discount (difference arising

as a result of placement of bonds at a price lower than the face value), and interest income are exempt from the personal income tax.

Under another amendment, a tax at ten percent is withheld from payments of interest, including loan (implicit) interest under a finance lease, to a resident individual, permanent establishment (fixed base) in the Republic of Azerbaijan of a non-resident individual (excluding individuals engaging in finance lease), and non-resident without a permanent establishment in the Republic of Azerbaijan. Therefore, the amendment prescribes a more unified than previously taxation of interest income. This amendment is effective retroactive to 1 January this year.

**PLEASE CONTACT US FOR ANY QUESTIONS AND FURTHER
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