

October 20, 2015

On 19 October 2015, the President of Azerbaijan took a much awaited step which should improve the business climate in Azerbaijan. The President issued a decree on the *Decrease of the Number of Types of Special Permits (Licenses) Required for Business Activity, Simplification and Ensuring the Transparency of the Procedure for the Issuance of Special Permits (Licenses)*. The Decree assigns to the Ministry of Economy and Industry the authority to issue special permits (licenses) for *all* types of business activity “(except for cases arising from state security)” for which special permits (licenses) are required.

The Ministry of Economy and Industry will issue special permits (licenses) subject to the following rules:

1. Taking into account the nature of the types of business activity, where the Ministry of Economy and Industry considers it necessary, upon obtaining an opinion from the relevant state bodies
2. Where the relevant state bodies fail to notify their opinion within the specified period of time, a positive opinion shall be considered given
3. Special permits (licenses) shall be issued by the Ministry of Economy and Industry at the ASAN *service* centers.

The Ministry of Economy and Industry shall provide its proposals to the President of Azerbaijan concerning:

- A decrease to the minimum of the number of types of activities for which special permits (licenses) are required
- The list of types of activities for which special permits (licenses) shall be required in connection with cases arising from state security
- Improvement of the procedure for the issuance of special permits (licenses) to ensure its simplification and transparency.

The Decree also calls for the acceleration of activities for the creation of an “*Electronic License*” portal. Finally, the Decree recommends that the *Milli Mejlis* expedite the consideration of the draft law on *Licenses and Permits*.

It has also been announced by *AZERTAC* (the Azerbaijan State News Agency) that on 19 October 2015 the President of Azerbaijan submitted to the *Milli Mejlis*, by way of legislative initiative, a draft law in accordance with which, except for tax and certain other audits, audits in the sphere of entrepreneurship shall be suspended for 2 years, starting from 1 November 2015. It is expected that the draft law will be considered by the *Milli Mejlis* today, on 20 October 2015.

We will keep you updated on this development.

Your Key Contacts



James E. Hogan

Office Managing Partner,

Baku

D +994 12 4 90 75 65

james.hogan@dentons.com