

# New Law On Licenses and Permits is signed

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On 21 April 2016, the President of the Republic of Azerbaijan signed a new Law On Licenses and permits. The new Law, which aims to protect and promote local entrepreneurship and to encourage business transparency, is noteworthy due to newly defined provisions for the simplification of the process of issuing licenses and permits.

The Law sets out criteria for types of activities requiring licenses and permits (except in financial markets), an exhaustive list of licenses and permits, state supervision over such licenses and permits, regulations for the issuance replacement and amendment of licenses (permits), the re-registration, suspension, resumption and cancellation of a license (permit), the responsibilities of the authorities granting licenses and permits and the responsibilities of the holders of licenses (permits).

The Law is applicable to all legal entities, including branches and representative offices of foreign legal entities, as well as to private entrepreneurs (except in financial markets), as well as to the authorities granting license and permits.

The Law, which is dated 15 March 2016, shall come into force on 1 June 2016.

Permits which were granted prior to the effective day of the Law shall be valid until the expiration of their term.

## Features of the new Law

The Law refers to an Electronic Licenses and Permits Portal, as well as to a Single Registry for Licenses and Permits. The Law also contains a list of information which shall be included on the portal and in the registry.

A new chapter on principles of the state supervision of the license and permit system includes a list of principles for (i) issuing licenses and permits on the basis of a “single window” principle (ii), implicit consent for the issuance, re-issuance, suspension, resumption and cancellation of licenses and permits, (iii) the proportionality of the interests of entrepreneurs, society and the state in the implementation of the licenses and permits system, and (iv) analyses of the regulatory influence. Regulations on the issuance of licenses and permits also have been amended and changed.

According to the Law the issuance of licenses and permits, duplicates of such licenses and permits and amendments thereto, and the re-issuance, suspension, resumption and cancellation of licenses and permits shall be made through the Electronic Licenses and Permits Portal. Licenses now shall be issued within 10 days from the date of application (the previous regulations provided for a 15-day period), and permits shall be issued within seven days.

The Law sets out a procedure for the notification of the applicant by the relevant authority within five days of the need to eliminate defects in the application and attached documents, as well as the right of the applicant to eliminate such defects within 10 days.

Pursuant to the Law licenses are to be issued for an unlimited period of time.

## List of licensable activities (except for activities related to national security)

Taking into the consideration that, according to the latest changes in the legislation, authority for the regulation of the banking and insurance sectors, as well as capital markets, was passed to the new Financial Markets Supervision Chamber, in accordance with the Law the number of activities which require a license was reduced from 32, based on a Presidential Decree dated 21 December 2015, to 25.

## Definition of permit and the list of permits

The Law sets out a definition of the term Permit and contains a list of activities requiring a permit.

According to the Law a “permit” is an official document (permit, approval, certification, certificate, accreditation, etc.) granted by the authority responsible for issuing the permit for the purpose of the fulfillment of the relevant entrepreneurial activities or certain actions in connection with the implementation of entrepreneur activities.

According to the Law the list of permits includes 87 types of commercial activities.

## Your Key Contacts



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