

# New important laws and proposed amendments to the Constitution of Azerbaijan

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The Azerbaijani Parliament has recently adopted several new important laws and proposed amendments to the Constitution of Azerbaijan. Below we summarize the Law of the Republic of Azerbaijan “*On Antidumping and Countervailing and Protective Measures*” (the “Antidumping Law”), the Law of the Republic of Azerbaijan “*On Cooperation in Agriculture*” (the “Law on Agricultural Cooperatives”), and, finally, a draft Referendum Act “*On Introducing Amendments to the Constitutional of the Republic of Azerbaijan*” (the “Draft Referendum Act”).

## ANTIDUMPING LAW

The Antidumping Law is said to be aimed at protecting the interests of local producers from dumping, subsidized imports and import surpluses by way of the application of antidumping and compensatory measures, as well as the implementation of special customs duties.

The law is fairly detailed and sets forth rules for determining whether or not a particular import would be considered as dumping under the law, calculating the costs and profits incurred or generated by the import suspected of constituting dumping, comparing the export price and the normal price, calculating dumping profit margins and subsidies by a foreign state, and the like. Additionally, the law sets forth specific rules for the determination of damages caused to local producers by dumping and subsidized imports, as well as taking temporary anti-dumping or countervailing measures or setting forth compensatory customs duties, which can be in the form of duties or a cash deposit.

According to the Antidumping Law, *temporary anti-dumping and countervailing measures* may be taken not earlier than 60 days from the date the investigation is initiated by the authorities under one of the grounds stated in the law (e.g., on its own initiative or further to an application by an interested party) at a rate not exceeding the dumping margins or the amount of relevant subsidies. Temporary anti-dumping and countervailing measures, such as the application of anti-dumping or countervailing duties, may only be taken after completion of the investigation into complaints by local manufacturers and only when the dumping policy causes material damage to the national industry. In general, anti-dumping and countervailing measures may not be applied for more than five years.

The Ministry of Economy and the Cabinet of Ministries are charged with carrying out anti-dumping, compensatory and countervailing measures.

The Antidumping Law will become effective 90 days from the date of its publication. It was published on 15 July 2016 in *Azərbaycan Qəzeti*.

## AGRICULTURAL COOPERATIVES

The new Law on Agricultural Cooperatives is said to be aimed at promoting the creation and development of

agriculture cooperatives. It also sets forth the legal and economic framework for such cooperatives. The provisions of the law are to apply in addition to those stated in the Azerbaijani Civil Code in relation to cooperatives.

According to the new law, agricultural cooperatives may be formed for the purposes of production oriented cooperatives, consumer oriented cooperatives or production and consumer oriented cooperatives.

Cooperatives in which 70% of its activities are conducted by its members are considered *production oriented cooperatives*. These cooperatives may hire employees. However, the number of employees may not exceed 30% of the total number of the members of the cooperative. An employee of a production oriented cooperative may not be a member of another production oriented cooperative involved in the same type of activity.

There are several types of *consumer oriented cooperatives* classified by the type of activity, which includes processing, storage and sale, services, logistics, credit, and insurance cooperatives. The latter two types, credit and insurance cooperatives, will additionally be regulated by the relevant legislation.

*Production and consumer oriented cooperatives* may engage in the production of agricultural products, as well as one or more activities of consumer oriented cooperatives.

## PROPOSED CONSTITUTIONAL REFERENDUM

On 18 July 2016 the President of Azerbaijan Republic signed a Decree and submitted to the Azerbaijani Constitutional Court a Draft Referendum Act “*Introducing Amendments to the Constitution of the Republic of Azerbaijan*”.

Among the various provisions of the Draft Referendum Act, which is quite detailed, there is a provision that would allow the adoption of laws limiting the rights of landowners for the purposes of social justice and the efficient use of land.

Notably, the Draft Referendum Act also provides for the creation of the positions of the First Vice-President and Vice-Presidents of Azerbaijan, extension of the presidential term from 5 to 7 years and granting the President powers to dissolve the Parliament (*Milli Majlis*) and call for snap presidential elections.

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