



Legal Alert

13 November 2017

Extension of the Moratorium on State Inspections

According to the Law of the Republic of Azerbaijan on Amendments to the Law on Suspension of Inspections carried out in the field of Entrepreneurship (the “Amendment Law”) officially published on 4 November 2017, moratorium over business inspections, which expired on 31 October 2017, has been extended until 1 January 2021.

It should be noted that, according to the Law on Suspension of Inspections carried out in the field of Entrepreneurship (the “Law”) dated 20 October 2015, inspections in the field of entrepreneurship were suspended for a period of two years, until 1 November 2017.

According to the Law, during the moratorium only tax inspections and inspections conducting for the purposes of criminal prosecution or within the framework of court proceedings, as well as, the following inspections, which cover circumstances posing a serious threat to human life and health, the state’s security and economic interests, can be carried out:

- (i) by the Ministry of Healthcare of the Republic of Azerbaijan - observance of quality of medicines and their safety rules;
- (ii) by the Agency of Food Safety of the Republic of Azerbaijan - safety of food products;
- (iii) by the Ministry of Healthcare of the Republic of Azerbaijan - observance of sanitary-hygienic rules;
- (iv) by the Ministry of Agriculture of the Republic of Azerbaijan - compliance with phytosanitary requirements, compliance with rules and veterinary requirements;
- (v) by relevant suppliers - illegal connection to natural gas, water supply, electricity or heating networks;
- (vi) by the Financial Markets Supervision Authority of the Republic of Azerbaijan - the activity of insurers, reinsurers and insurance intermediaries;
- (vii) by the Central Bank of the Republic of Azerbaijan and the Financial Markets Supervision Authority of the Republic of Azerbaijan - credit organizations, as well as their subsidiaries;

- (viii) by the Ministry of Emergency Situations of the Republic of Azerbaijan - storage and circulation of radioactive, explosive and other special hazardous substances or equipments, observance of technical safety rules when performing works in mining, hydro-technical installations, oil and gas industry facilities and other special hazardous areas, compliance with the norms of construction, technical and fire safety of the works and abused facilities;
- (ix) by the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan - engagement of individuals to conduct any works without employment contracts entered into force.

Inspections specified under items (i) and (ii) above were added into the Law by the above-mentioned Amendment Law.

It should also be noted that inspections specified under items (iii)-(v) above are allowed to be carried out with approval of the Ministry of Economy. In the exceptional cases, inspections not covered in the above list are allowed, provided that a request of the inspection is submitted to the Ministry of Economy with substantiated reasoning regarding the cases of immediate threat to the security and economic interests of the state by the relevant state body and approved by the Ministry of Economy. Such inspection must be conducted with the participation of the officials of the Ministry of Economy.

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