

CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN [\[1\]](#)

GENERAL PART

First section

ENTRY PROVISIONS

Chapter 1.

Legislation in the field of civil law

Article 1. Objectives and tasks of the Civil Code of the Republic of Azerbaijan

1.1. The purpose of this Code is to ensure the freedom of civil circulation on the basis of equality of its participants, without prejudice to the rights of third parties.

1.2. The duties of this Code are as follows:

- regulate property and personal non-property relations of civil law subjects;
- to protect the rights and legal interests of civil law subjects;
- to protect the honor, dignity, business reputation of natural persons, the right to protect personal and family life, personal integrity; [\[2\]](#)
- ensure civil circulation;
- supporting entrepreneurial activity;
- to create conditions for the development of a free market economy.

Article 2. Civil legislation of the Republic of Azerbaijan

2.1. The civil legislation of the Republic of Azerbaijan is based on the Constitution of the Republic of Azerbaijan and consists of this Code, other laws and other normative legal acts adopted on the basis of them, defining the norms of civil law.

2.2. Civil legislation determines the legal status of the subjects of civil law relations, the basis for the formation of property rights and other property rights and the procedure for their implementation; it regulates contractual and other obligation relations, as well as other property relations and non-property relations related to them.

2.4. Relations related to the realization and protection of the non-alienable rights and freedom of person and other intangible benefits are regulated by civil legislation and other legal acts, a different rule follows from the essence of these relations.

2.5. Civil legislation and other legal acts do not apply to property relations based on administrative or other authority subordination of one party to another, including tax, financial and administrative relations, unless otherwise provided for in the legislation.

2.5-1. *Civil relations in the Alat free economic zone are regulated in accordance with the requirements of the Law of the Republic of Azerbaijan "On the Alat free economic zone".* [\[3\]](#)

2.6. Normative legal acts of lower force than the law are applied for the regulation of civil relations only if they comply with this Code and do not contradict it.

Article 3. Civil legislation and international legal acts

3.1. Interstate agreements to which the Republic of Azerbaijan is a party are directly applied to law relations regulated by this Code (with the exception of cases where the international agreement requires the adoption of an internal regulatory legal act for its application).

3.2. If the norms defined in the international agreement to which the Republic of Azerbaijan is a party differ from the norms stipulated in the civil legislation, then the norms of the international agreement shall be applied.

Article 4. Objects of civil law relations

Tangible or intangible goods with property or non-property value, not excluded from circulation by legislation, can be objects of civil law relations.

Article 5. Subjects of civil law relations

5.1. Any natural or legal persons, whether engaged in entrepreneurial activity or not, are subjects of civil law relations.

5.2. Civil law relations of state authorities and local self-government bodies with other persons are regulated by civil legislation, unless otherwise provided by law.

5.3. Subjects of civil law relations are obliged to fulfill their rights and duties honestly.

Article 6. Principles of civil legislation

6.1. The principles of civil legislation are as follows:

6.1.1. equality of civil law subjects;

6.1.2. freedom of will of civil law subjects;

6.1.3. property independence of civil circulation participants;

6.1.4. inviolability of ownership;

6.1.5. freedom of contracts;

6.1.8. ensuring the restoration of violated rights;

6.1.9. judicial protection of civil rights.

6.2. Natural and legal persons acquire and exercise civil rights according to their will to realize their interests. They are free to determine their rights and obligations under the contract and to impose contractual terms that do not conflict with the law.

6.3. Civil rights can only be limited by law if it is necessary for the protection of state security, public order, health and morality of society, protection of the rights and freedoms, honor and clean name of other persons.

6.4. Goods, services and financial resources move freely throughout the territory of the Republic of Azerbaijan. Restrictions on the movement of goods and services may be applied in accordance with the law if it is necessary to ensure the safety of people, protect their lives and health, and protect natural and cultural resources.

Article 7. Time validity of civil legislation

7.1. Except for the provisions of Article 149, Part VII of the Constitution of the Republic of Azerbaijan, the provisions of civil legislation do not have retroactive effect and are applied to relationships formed after they come into force.

7.2. Civil legislation may have retroactive effect in cases directly provided for by law.

7.3. Civil legislation cannot be retroactive if it damages or worsens the situation of citizens and legal subjects.

Article 8. Territorial validity of civil legislation

8.1. Civil legislation is valid in the entire territory of the Republic of Azerbaijan without exception.

8.2. The rights stipulated in the civil legislation can be exercised without hindrance in the entire territory of the Republic of Azerbaijan and must be protected.

Article 9. The force of civil legislation according to persons

9.1. Civil legislation is valid for all physical and legal entities operating in the territory of the Republic of Azerbaijan.

9.2. Rules established by civil legislation, unless otherwise provided by law, are also applied to relations involving foreigners, stateless persons and foreign legal entities.

9.3. Ignorance or misunderstanding of the law shall not constitute a waiver of the application of the law or a waiver of liability.

Article 10. Business practices

10.1. A rule of conduct, which is established in any field of entrepreneurial activity and is generally applied, is considered a business custom, regardless of whether it is mentioned in an act or not.

10.2. Business practices contrary to law or contract do not apply.

11.1. If civil law relations are not directly regulated by civil legislation or by the agreements of the parties, and there is no business custom applicable to them, the norms of civil legislation regulating similar relations are applied to those relations, if this does not contradict their essence (analogy of law).

11.2. In the absence of civil law norms regulating similar relations, the rights and obligations of the parties are regulated based on the principles of civil legislation (analogy of law). When applying analogy of law, the requirements of justice, fairness and morality should be taken into account.

11.3. *Removed.* [\[5\]](#)

11.4. Provisions of civil legislation regulating special relations (norms of exception) should be applied by analogy.

11.5. The absence of a legal norm regulating civil law relations or its uncertainty cannot be a ground for the court to refuse to consider a civil case.

Article 12. Independence of civil rights from political rights

12.1. The realization of civil rights does not depend on the political rights defined in the Constitution or laws of the Republic of Azerbaijan.

12.2. Subjects of civil legal relations can perform both actions not directly prohibited by law and actions not directly provided for by law.

Article 13. Entrepreneurial activity [\[6\]](#)

Entrepreneurial activity is an activity carried out independently by a person, the main purpose of which is to obtain profit (*income by individual entrepreneurs*) from the use of property, production and sale of goods, performance of works or provision of services. [\[7\]](#)

Chapter 2.

Civil rights and duties, their protection

Article 14. Formation of civil rights and duties

14.1. Civil rights and duties arise from the bases provided for in civil legislation, as well as from the actions of natural and legal persons that give rise to civil rights and duties according to the principle of analogy of law, although not provided for in the legislation.

14.2. The bases for the formation of civil rights and duties are as follows:

14.2.1. Contracts (*except labor contracts*) and other agreements provided for by legislation, as well as contracts and other agreements not contrary to legislation, although not provided for by legislation.

14.2.2. Acts of state bodies and local self-government bodies, which are provided in the legislation.

14.2.4. Acquisition of property on grounds permitted by legislation.

14.2.5. Creation of works of science, literature, art, inventions and other results of intellectual activity.

14.2.6. Harming another person.

14.2.7. Unjust enrichment.

14.2.8. Other actions of natural and legal entities.

14.2.9. An event that the legislation closes with the occurrence of civil law consequences.

14.3. If the law does not provide a separate rule for the creation of property rights, the rights to be state registered are created from the moment of their registration. [\[9\]](#)

Article 15. Exercise of civil rights

15.1. *Removed.* [\[10\]](#)

15.2. Failure of natural and legal persons to use their civil rights does not lead to the termination of these rights, except for the cases provided by the legislation. [\[11\]](#)

Article 16. Restriction of the exercise of civil rights

16.1. Actions carried out by natural and legal persons with the sole intention of harming another person, as well as abuse of rights in other forms, are not allowed.

16.2. *Removed.* [\[12\]](#)

Article 17. Protection of civil rights

17.1. All state authorities, local self-government bodies, political parties, public associations, trade union organizations, individuals and legal entities are obliged to respect civil rights and help them.

17.2. *Removed.* [\[13\]](#)

17.3. *Removed.* [\[14\]](#)

Article 18. Methods of protection of civil rights

Protection of civil rights is carried out in accordance with the legislation and in ways that do not contradict the law, public order and morals.

Article 19. Invalidation of the act of the state authority or local self-government body

A non-normative act of a state power body or a local self-government body that does not comply with civil legislation, violates the civil rights and interests protected by law of an individual

Article 20. Self-defense of civil rights - removed. [\[15\]](#)

Article 21. Payment of damages

21.1. A person who has the right to demand compensation for damages may demand compensation for damages caused to him, provided that the law or contract does not provide for compensation for damages in a lesser amount. [\[16\]](#)

21.2. The term "damage" refers to the costs incurred or to be incurred by the infringer to restore the infringed right, loss of property or damage to property (actual damage), as well as the income that the person would have received in normal civil circulation if the right had not been infringed (forgotten benefit).

21.3. When determining the scope of the demand for compensation for damages, the court shall take into account the conditions in which the behavior of the victim, his employee and, in the cases stipulated by the legislation, the conditions for the occurrence and increase of the damage should be taken into account. [\[17\]](#)

Article 22. Compensation for damage caused by state authorities and local self-governance bodies - removed. [\[18\]](#)

Article 23. Protection of honor, dignity and business reputation [KMQ8](#)

23.1. A natural person may request the judicial denial of information that defames his honor and dignity or business reputation, violates the privacy of his personal and family life, or violates his personal and family integrity, provided that the person who disseminated such information does not prove that the information is true. The same rule applies when factual information is published incompletely, if it affects the honor and dignity or business reputation of a person. At the request of interested persons, the protection of honor and dignity of a natural person is allowed even after his death. [\[19\]](#)

23.2. If the information that defames the honor, dignity, business reputation of a natural person or invades the secret of personal and family life is spread *in the media*, it must be refuted in that manner. If the specified information is included in an official document, that document should be changed. Interested persons should be informed about it. In other cases, the court determines the order of refutation. [\[20\]](#)

23.3. A natural person whose rights or interests protected by law have been published (broadcast) *in the media* has the right to publish (broadcast) his answer in that media. [\[21\]](#)

23.4. A natural person whose information defaming his honor, dignity or business reputation has been disseminated has the right to demand compensation for the damage caused as a result of the dissemination, along with the refutation of such information.

23.5. If it is not possible to identify the person who spread the information defaming the honor and dignity or business reputation of a natural person, the person about whom such information was

The second section

PERSONS

Chapter 3.

Physical person

Article 24. Definition of natural person

24.1. A natural person is an individual who participates in legal relations on his own behalf

24.2. In the Republic of Azerbaijan, all citizens, foreigners permanently living or temporarily staying in the territory of the Republic of Azerbaijan, and stateless persons are natural persons.

Article 25. Civil legal capacity of a natural person

25.1. The civil legal capacity of a natural person is the capacity of a person to have civil rights and bear civil legal duties. The civil legal capacity of all natural persons is equally recognized.

25.2. The legal capacity of a natural person is created at the moment of his birth and ends at death. Cessation of brain activity is considered the moment of death.

25.3. The right to inherit arises from the moment of conception, and the realization of this right is possible only after birth.

25.4. A natural person cannot be deprived of legal capacity.

Article 26. Name right

26.1. Every natural person has the right to have a name consisting of first name, patronymic and surname.

26.2. A natural person acquires and exercises rights and duties in his own name.

26.3. A natural person can use a pseudonym (fictitious name) in the cases and in the manner provided by law.

26.4. A natural person has the right to change his name in accordance with the law. The change of name of a natural person does not terminate or change the rights and duties acquired by him under his previous name. An individual must inform his debtors and creditors about his name change and bear the risk of the consequences of not informing those persons about his name change. A natural person who has changed his name has the right to request that relevant changes be made at his expense in the documents registered under his previous name.

26.5. The name of an individual at birth, as well as the change of name, must be registered.

26.7. Damage caused to a natural person as a result of illegal use of his name must be in accordance with this Code.

26.8. When the name of a natural person is distorted or used in a manner or form affecting honor, dignity or business reputation, the rules stipulated in Article 23 of this Code shall be applied.

Article 27. Place of residence of a natural person

27.1. The place where a natural person usually lives is considered his place of residence. A person may have several residences.

27.2. The place of residence of persons under the age of fourteen is considered the residence of their parents who have not lost parental rights, and the place of residence of a person under guardianship is the place of residence of the guardian.

27.3. If a person leaves his place of residence for any reason, he does not lose his place of residence.

Article 28. Civil law capacity of a natural person

28.1. The civil legal capacity of a natural person is the ability of a person to acquire and exercise civil rights, create and perform civil duties for himself by his own actions.

28.2. A natural person's capacity for civil law activity is fully formed when he reaches the age of majority, i.e. eighteen years of age.

28.3. Minors under the age of 7 do not have legal capacity. Minors from 7 to 18 years of age have a limited capacity to act.

28.4. A minor who has reached the age of sixteen can be considered fully capable if he works under an employment contract or engages in entrepreneurial activity with the consent of his parents, adoptive parents or guardian. Based on the consent of both parents, adoptive parents or custodians, a minor can be considered fully capable of functioning (emancipation) by the decision of the guardianship authority, and in the absence of such consent, by the court's decision. [\[22\]](#)

28.5. Parents, adoptive parents and guardians are not responsible for the obligations of a minor who is considered fully capable of functioning, including for the obligations arising as a result of damage.

28.6. While the law allows marriage before the age of eighteen, a natural person under the age of eighteen acquires the full capacity of activity from the time of marriage. The activity capacity of a person as a result of marriage is retained in full even if the marriage is broken until reaching the age of eighteen.

28.7. If the marriage is considered invalid, the court may make a decision that the minor (wife) loses full capacity from the moment determined by the court.

28.8. Persons who do not understand the meaning of their actions or are unable to direct their actions as a result of mental weakness or mental illness may also be considered incompetent by the court. Guardianship over them is determined. Contracts are concluded on behalf of an incapacitated natural person by his guardian. A contract entered into by a deemed incapacitated person is considered valid later with the consent of the guardian. [\[23\]](#)

28.9. If a person considered incapable of action recovers or his health condition improves,

Article 29. Activity capacity of minors under 14 years of age

29.1. Except for the contracts specified in Article 29.2 of this Code, only parents, adoptive parents or guardians can conclude contracts on behalf of minors under the age of 14. A contract entered into by such a minor is valid if subsequently approved by his parents, adoptive parents and guardians. [\[25\]](#)

29.2. Persons from 7 to 14 years of age have the right to independently conclude the following contracts:

29.2.1. small household transactions;

29.2.2. transactions aimed at receiving benefits for free, which do not require notary confirmation or state registration of the rights arising from them;

29.2.3. transactions on disposal of funds provided by the legal representative himself or by another party for a specific purpose or for free use with his consent.

29.3. Property liability for contracts of a minor under the age of 14, including independently concluded contracts, is borne by his parents, adoptive parents or guardians, provided that those do not prove that the obligation was not violated due to their fault. According to the law, these are also responsible for damages caused by minors.

Article 30. Activity capacity of minors from 14 to 18 years of age

30.1. Minors between the ages of 14 and 18 shall enter into contracts with the written consent of their legal representatives - parents, adoptive parents or guardians, except for what is specified in Article 30.2 of this Code. A contract entered into by such a minor is also valid if subsequently approved by his parents, adoptive parents or guardian. [\[25\]](#)

30.2. Minors between the ages of 14 and 18 have the right to independently, without the consent of their parents, adoptive parents or guardians: [\[26\]](#)

30.2.1. dispose of his earnings, pension and other income;

30.2.2. exercise the rights of the author of a work of science, literature or art, invention or result of intellectual activity protected by law;

30.2.3. *removed*; [\[27\]](#)

30.2.4. conclude small household contracts and other contracts stipulated in Article 29.2 of this Code. Minors who have reached the age of sixteen have the right to become cooperative members.

30.3. Minors between the ages of 14 and 18 bear independent property responsibility for contracts they conclude in accordance with Articles 30.1 and 30.2 of this Code. Minors between the ages of 14 and 18 are responsible for the damage they cause in accordance with this Code.

30.4. If there are sufficient grounds, the court, at the request of the parents, adoptive parents or guardians or the guardianship and guardianship authority, to issue an independent order regarding the earnings, pension or other income of the minor aged 14 to 18 years (if he has not attained full capacity for activity) may limit or take away the right. [\[28\]](#)

31.1. A natural person cannot be deprived of legal capacity under any circumstances. The capacity and activity capacity of a natural person can be limited only in the cases and according to the procedure established by law.

31.2. Non-observance of the legally defined conditions and procedure for restricting the capacity of natural persons or their right to engage in entrepreneurial activity or other activity does not affect the validity of the act of the state body or other body that imposed the corresponding restriction.

31.3. A natural person's complete or partial relinquishment of legal capacity or activity capacity or other agreements aimed at limiting legal capacity or activity capacity are irrelevant.

Article 32. Limitation of the activity capacity of a natural person

32.1. The activity capacity of an individual who puts his family in a difficult financial situation as a result of abusing alcoholic beverages, narcotics or psychotropic substances, as well as gambling, is restricted by the court. Guardianship is assigned to such a person. He has the discretion to conclude small household contracts. He can only enter into other contracts with the consent of his guardian, as well as receive and dispose of earnings, pensions and other incomes. However, such a natural person bears property responsibility independently for the contracts he has concluded and for the damage he has caused. In cases where the guardian's consent is required by a disabled natural person, an agreement concluded without such consent may be considered valid with the written consent of the guardian. [\[29\]](#)

32.2. When the grounds that led to the restriction of the physical person's activity capacity disappear, the court cancels the restriction of his activity capacity. Guardianship over a natural person is canceled based on a court decision.

Article 33. Guardianship and guardianship

33.1. Guardianship and guardianship are appointed to protect the rights and interests of persons who are incapacitated or have limited capacity to act. Guardianship and guardianship over minors, as well as their education, are appointed. The corresponding rights and duties of guardians and custodians are determined by the Family Code of the Republic of Azerbaijan.

33.2. Guardians and custodians protect the rights and duties of those under their guardianship in relations with any persons, including in court, without receiving special authority.

33.3. Guardianship and guardianship of minors in the absence of their parents, their parents, when their parents are deprived of their parental rights by the court, as well as with other natural persons are deprived of parental care for other reasons, including when their parents are unable to educate them or protect their rights and interests is appointed.

33.4. Guardianship is appointed over minors who have not reached the age of fourteen, and over natural persons who have been deemed incompetent by the court due to mental disorder.

33.5. Guardians are the legal representatives of the wards and enter into all necessary contracts on their behalf and for their benefit.

alcohol, narcotics, or psychotropic substances or gambling. [\[30\]](#)

33.7. Patrons agree to the conclusion of contracts that the natural persons under the patronage do not have the power to conclude independently. Guardians help the wards to exercise their rights and perform their duties, as well as protect them from abuse by third parties.

Article 34. Guardianship and guardianship bodies

34.1. Guardianship and guardianship bodies are determined by legislation.

34.2. Within three days from the date of entry into legal force of the decision to consider a person as incapacitated or to limit the capacity to work, the court must inform the guardianship and guardianship body at his place of residence in order to appoint guardianship and guardianship over a natural person.

34.3. The guardianship and guardianship body at the place of residence of those persons under guardianship supervises the activities of their guardians and guardians.

Article 35. Guardians and guardians

35.1. The guardian or custodian is appointed by the guardianship and guardianship body at the place of residence of the person in need of guardianship or guardianship within three months from the moment when the need to impose guardianship or guardianship over the natural person is known to him. Until a guardian or custodian is appointed for a person in need of guardianship or guardianship, the guardianship and guardianship body performs the duties of a guardian or custodian. *The functions of the guardianship or guardianship body shall be performed by the relevant executive authority until the appointment of guardians and guardians for children who have lost their parents and are dependent on parental care who need guardianship or guardianship.* Interested persons can file an objection to the appointment of a guardian or custodian. [\[31\]](#)

35.2. Guardians and custodians are appointed from legal persons who have reached the age of majority. Individuals who have been deprived of parental rights cannot be appointed guardians or custodians.

35.3. The guardian or custodian is appointed by his/her own consent. At this time, his moral and other personal qualities, his ability to perform guardianship or guardianship duties, the relationship between him and the person in need of guardianship or guardianship, and, if possible, the wishes of the person under guardianship or guardianship should be taken into account.

35.4. Those institutions are the guardians and custodians of individuals who need guardianship or guardianship and who are in relevant *social service institutions* or placed in these institutions. [\[32\]](#)

35.5. Guardianship and guardianship duties are performed free of charge, except for the expenses provided for by law.

35.6. Guardians and guardians of minor natural persons must live together with those under guardianship or wards. It is allowed to live separately between the guardian and the dependent person who has reached the age of sixteen, with the consent of the guardianship and guardianship authority.

35.7. Custodians and custodians are responsible for maintaining, caring for and treating under their guardianship , *including children placed on a probationary period in the family of a person who wants to adopt in accordance with Articles 118.12 and 118.13 of the Family Code of the Republic of Azerbaijan*

their education and are obliged to take care of their upbringing, protect their rights and interests

35.8. The duties specified in Article 35.7 of this Code are not assigned to the guardians of persons who have reached the age of majority, whose capacity for activity has been limited by the court

35.9. When the grounds for considering a natural person as incapable or limited in full capacity disappear, the guardian or custodian is obliged to file a motion before the court to consider the person under guardianship or protection as capable of functioning and to remove the guardian or custodian from the guardianship or protection.

Article 36. Disposing of the property of the person under guardianship and guardianship

36.1. With the exception of the income of a natural person under guardianship or guardianship which he has the right to dispose of independently, his income, including the income received by the person under guardianship or guardianship from the management of his property, shall be used by the guardian or guardian solely and exclusively for the interests of the person under guardianship or guardianship, as well as is also spent with the prior permission of the guardianship and protection authority. Without the prior permission of the guardianship and protection authority, the guardian or guardian may pay the necessary expenses for the maintenance of the person under guardianship or guardianship from the sums available to the person under guardianship or guardianship, such as his own income.

36.2. Without obtaining the prior permission of the guardianship and protection authority, the guardian may not alienate the property of the person under guardianship or protection, in exchange or donation, enter into agreements regarding the lease, free use or pledge of this property, relinquish the rights belonging to the person under guardianship or protection, distribute the property and or may not enter into contracts that lead to the allocation of shares from this property, as well as any other contracts that lead to the reduction of the property of the person under guardianship or guardianship, and the guardian cannot agree to their conclusion. The procedure for management of the property of the person under guardianship is determined by legislation.

36.3. The guardian, guardian, their husband (wife) and their close relatives do not have the right to enter into contracts with the person under guardianship or protection, except for giving property as a gift to the person under guardianship or protection or giving property for his gratuitous use, and when concluding contracts or under guardianship and or to represent the person under guardianship or protection during court proceedings between the person under guardianship and the guardian or the guardian's husband (wife) and their close relatives.

Article 37. Management of the property of the person under guardianship or guardianship and power of attorney

37.1. When there is a need for the permanent management of the movable and valuable real estate

has not been assigned to management by a power of attorney. The rules stipulated in Article 36.3 of this Code shall be applied to the administrator when exercising the power of management of the property of the person under guardianship or guardianship by power of attorney.

37.2. The management of the property of the person under guardianship or guardianship by power of attorney is terminated on the grounds provided for in the legislation for the termination of a contract on the management of property by power of attorney, as well as in the cases of termination of guardianship or guardianship.

Article 38. Exemption and removal of guardians and guardians from their duties. Termination of Guardianship and Conservatorship

38.1. When a minor is returned to his parents or adopted, the guardianship and guardianship relieves the guardian or custodian of his duties.

38.2. When the person under guardianship is placed in relevant *social service institutions* or a similar institution, the body of guardianship and guardianship releases the previously appointed guardian or guardian from the performance of his duties, if this does not conflict with the interests of the person under guardianship. [\[34\]](#)

38.3. In case of valid reasons (illness, change of property status, lack of mutual understanding with the person under guardianship, etc.), the guardian or custodian may be relieved of his duties at request.

38.4. If the guardian or custodian does not properly perform the duties assigned to him, if he uses the guardianship or guardianship for greedy purposes, or leaves the person under guardianship without supervision and without the necessary assistance, the guardianship and guardianship body may remove the guardian or custodian from the performance of these duties and may punish the guilty natural person. The guardian or custodian may be held liable as determined by law.

38.5. Guardianship and guardianship over an individual who has reached the age of majority is terminated when the court issues a decision on considering the person under guardianship capable of functioning or canceling the limitation of his capacity of functioning based on the application of the guardian, custodian or the guardianship and guardianship body.

38.6. When a minor under guardianship reaches fourteen years of age, the guardianship over him is terminated, and the natural person who performed the duties of the guardian becomes the guardian of the minor without issuing an additional decision on this.

38.7. Guardianship over a minor is terminated without a special decision in other cases when the minor under guardianship reaches the age of eighteen, as well as enters into marriage and acquires full capacity of activity until reaching the age of majority.

Article 39. Patronage over an able-bodied individual

39.1. At the request of a physical person who has reached the age of majority and is unable to independently exercise and defend his rights and perform his duties, due to his health condition, patronage may be assigned to him. Appointment of patronage does not lead to restriction of the

39.3. The patron (assistant) disposes of the property belonging to an individual capable according to the assignment or power of attorney signed with the individual. Household contracts and other contracts aimed at maintenance and payment of household needs are concluded by (assistant) with the consent of the individual.

39.4. In accordance with Article 39.1 of this Code, the patronage assigned to an individual reached the age of majority is terminated at the request of the individual under the patronage. The patron (assistant) of an individual under patronage is exempted from performing his duties in the manner provided for in Article 38 of this Code.

Article 40. Declaring a natural person missing without notice

40.1. If the whereabouts of a natural person is unknown and he has not been seen at his residence for two years, the court may consider the natural person missing without notice based on the application of interested parties.

40.2. If it is not possible to determine the day when the last information about the disappearance was received, the calculation of the period for being considered missing without notice starts from the first day of the month following the month when the last information about the missing person was received, and if it is not possible to determine that month, from January 1 of the following year.

40.3. After the decision of the court on the disappearance without notice becomes legally effective, the legal heirs of that person have the right to manage the property of the person who disappeared without notice as a trusted property, including benefiting from it. From this property, dependents of the missing person are given living expenses and debts are paid.

40.4. When there is a need for permanent management of the legal property of a natural person who has disappeared without notice, if he has no legal heirs, this property is given to a person on the basis of a management contract with a power of attorney, determined by the guardianship and guardianship body, by the decision of the court. The administrator of the property of the missing person pays his debts at the expense of the missing person's property, manages the property for the benefit of that person, and provides living expenses to the dependents of the missing person. If within three years from the date of the administrator's appointment, the court decision on the person being considered missing without notice is not annulled and the person is not appealed to the court to be considered dead, the guardianship and guardianship body is obliged to apply to the court with the application to declare the individual dead.

40.5. When a missing person arrives or his location is discovered, the court cancels the decision considering him as missing, as well as the decision on the management of his property.

Article 41. Declaring a natural person dead

41.1. If there is no information about a person's whereabouts at his place of residence for five years, as well as if he goes missing without notice in circumstances that pose a threat of death or give rise to assume that he died due to some accident, and if there is no news from him within six months, he may be declared dead by court order.

41.2. A military serviceman or other person who went missing due to military operations

itions, taking into account the circumstances that give reason to assume that the person died in operations. [\[35\]](#)

41.3. The day on which the court decision to declare a person dead becomes legally effective is considered the day of his death.

41.4. In the cases provided for in Articles 41.1 and 41.2 of this Code, the court may consider the presumed death of a person as the day of his death.

Article 42. Consequences of the appearance of a person declared dead

42.1. When the person declared dead arrives or his whereabouts are discovered, the court may cancel the decision to declare him dead.

42.2. Regardless of when it comes, a person can claim the rest of the property that was gratuitously transferred to another person after he was declared dead.

42.3. A person who has acquired the property of a person declared dead is obliged to return the property to him if it is proven that he knew that the person declared dead was alive when he acquired the property.

42.4. If the property of a person declared dead was transferred to the state and sold, the proceeds from the sale of the property are returned to him after the cancellation of the decision to declare the person dead.

Chapter 4.

Legal entities

§1. Basic provisions

Article 43. Concept of legal entity and its types

43.1. A legal entity is a state-registered, specially created entity that owns separate property, is responsible for its obligations with this property, acquires and exercises property and personal rights on its own behalf, carries out duties, is a plaintiff in court or has the right to be a defendant in court. A legal entity must have an independent balance sheet.

43.2. Legal entities may be created by one natural or legal entity, or by a group of natural persons. They may be based on membership, may or may not depend on the presence of members, and may not engage in entrepreneurial activity.

43.3. The Republic of Azerbaijan participates in civil law relations just like other legal entities. In these cases, the powers of the Republic of Azerbaijan are exercised by its non-legal entities.

43.4. Municipalities participate in civil law relations just like other legal entities. In these cases, the powers of the municipality are exercised by its non-legal entities.

mercial legal entities) , as well as engaged in activities of national and (or) public importance (public legal entities) can be institutions. [\[36\]](#)

43.6. Legal entities that are non-commercial institutions can be created in the form of associations, foundations, unions of legal entities, as well as in other forms provided for by law. Non-commercial legal entities can engage in entrepreneurial activity only in cases where this serves to achieve the goals set at the time of their creation and corresponds to these goals. In carrying out entrepreneurial activities, non-commercial legal entities can create or participate in societies.

43.7. The activities of public legal entities are regulated by this Code , "On Public Legal Entities" of the Central Bank of the Republic of Azerbaijan" laws of the Republic of Azerbaijan . [\[37\]](#)

Article 44. Legal capacity of a legal person

44.1. A legal person has civil rights and assumes civil duties from the moment of state registration. The legal capacity of a legal entity is terminated at the moment of completion of its liquidation.

44.2. Commercial legal entities may have the necessary civil rights and carry out any type of activity not prohibited by law. Legal entities can engage in separate types of activity from the list of which is determined by legislation, only on the basis of a special permit (license).

44.3. The rights of a legal entity can be limited only in the cases and in the manner prescribed by law. A legal entity can file an objection to the court against the decision to limit its rights.

44.4. The right of a legal entity to carry out the activity for which it is necessary to obtain a permit (license) arises from the moment of obtaining such a license or at the time specified in the license and this right is terminated when the license expires, unless otherwise specified by the legislation.

Article 45. Creation of a legal entity

45.1. A legal entity is created by establishing it and preparing its charter.

45.2. If a legal entity is created by several founders, the founders, by signing an agreement to determine the legal entity's charter, the procedure for joint activity on its creation, the conditions for transferring their property to it and participating in its activities.

Article 46. Liability of founders of a legal entity

The founders of the legal entity bear joint responsibility for the obligations related to the creation of the legal entity, formed before the state registration of the legal entity.

Article 47. Charter of a legal entity

47.1. The charter of the legal entity approved by the founders is the founding document of the legal entity. With the exception of the cases stipulated in the laws of the Republic of Azerbaijan "On Banks" and "Investment Funds" a legal entity created by one founder operates on the basis of the charter approved by the founder.

47.2. The legal entity's charter defines the legal entity's name, location, the procedure for its activity, as well as the procedure for its cancellation. The charter of a non-commercial legal entity defines the subject and goals of its activity. In the charters of non-governmental organizations, allowed to usurp the powers of state and local self-government bodies, as well as provide control and inspection functions. [\[39\]](#)

47.3. Changes in the charter enter into legal force for third parties from the moment of registration. However, legal entities and their founders (participants) cannot refer to the fact that changes were not recorded in their relations with third parties who acted taking those changes into account.

Article 48. State registration of legal entities

48.1. A legal entity must be registered with the relevant executive authority. State registration information, including the company name for commercial organizations, is included in the state register of legal entities, which is open for general inspection.

48.2. Refusal of the state registration of a legal entity is permitted in the cases provided for in the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities". A complaint can be filed with the court about the refusal to take state registration, as well as the enforcement of state registration. [\[40\]](#)

48.3. A legal entity must be re-registered only in cases established by law.

Article 49. Bodies of a legal entity

49.1. Legal entities acquire civil rights and undertake civil duties through their bodies in accordance with legislation and regulations. The procedure for choosing or appointing bodies of a legal entity is determined *by the statute, "On Banks", "On Insurance Activities", "On Investment Fund Securities Market" and "On Insurance of Deposits" laws of the Republic of Azerbaijan, respectively*. [\[41\]](#)

49.2. A legal entity can acquire civil rights and undertake civil duties through its participants as well as through its representatives.

49.3. A person acting on behalf of a legal entity, including any person represented in the legal entity's management bodies (supervisory (board of directors), executive body), shall act professionally and logically while performing his duties for the interests of the legal entity he represents. He is obliged to be faithful to the interests of all its participants and to prioritize the interests of the legal entity over its own interests, *to be cautious, as well as to be fair and impartial when making decisions*. A person is responsible for fulfilling these duties in accordance with the interests of the legal entity. At the request of the participant (participants) who have at least 5 percent share (share) in the authorized capital of the legal entity, if it violates its duties, it must pay compensation for the damage caused to the legal entity as a result of the violation. [\[42\]](#)

49.4. ~~A person acting on behalf of a legal entity who does not fulfill or improperly fulfills the duties prescribed by this Code for the interests of a legal entity, including any person represented in the management bodies of a legal entity, shall be held liable.~~

49.4.1. payment of bonuses to the members of the management bodies of the legal entity in the event the legal entity operates at a loss or in an amount disproportionate to the profit of the legal entity;

49.4.2. expropriation or disposal of the property of a legal entity on terms and at a price significantly higher than market conditions;

49.4.3. concluding contracts with persons belonging to the legal entity that violate the requirements of the law or endanger the interests of the legal entity;

49.4.4. purchase of goods (works, services) by a legal entity at a price significantly higher than value based on concluded contracts;

49.4.5. embezzlement or waste of the property of the legal entity for the purpose of securing tangible or intangible property benefits and rights to such property for himself, persons belonging to the legal entity or other persons;

49.4.6. conclusion of deals that are unfair or harmful to shareholders . [\[44\]](#)

49.5. Any person acting on behalf of a legal entity, represented in the management bodies of a legal entity (supervisory (board of directors), executive body) may be removed from the position held by the decision of the general meeting of the legal entity due to damage caused to the legal entity. The administrative or criminal liability of a person acting on behalf of a legal entity, or any person represented in the management bodies (supervisory (board of directors) board, executive body) of a legal entity due to damage caused to a legal entity, does not release the person from the obligation to compensate the damage caused to the legal entity.

49.6. When the circumstances stipulated in Article 49.4 of this Code occur or there are reasonable grounds to believe about the occurrence of these circumstances, the participant(s) who have at least 10 percent share (share) in the authorized capital of the legal entity shall be removed from the position of the person acting on behalf of the legal entity, and they may demand from any person represented in the person's management bodies (supervisory (board of directors) board, executive body) all the documents (without specifying a specific document) or information related to the legal entity and those documents (information) in order to review those documents (data). In this case, the request of the participant must be satisfied by the requested person within 5 (five) working days. When the participant obtains a copy of that document (information), certified copies of that document (information) are provided to the requested person. The participant must protect the confidentiality of the information he/she knows and must not transfer such information to third parties, except for the cases provided in [\[45\]](#)

Article 49-1. The procedure for concluding contracts with relevant persons by a legal entity

49-1.1. Any contract, agreement or set of related contracts concluded between a person related to the legal entity and that legal entity is considered a contract with a related person. The persons belonging to the legal entity are the following:

49-1.1.1. head and members of the board of directors (supervisory board) and executive body of a legal entity;

49-1.1.2. head of the structural division of a legal entity (branch, representative office, office, etc.);

49-1.1.3. Relatives (husband (wife), parents, including husband's and wife's parents, grandchildren, adopters (adopted), siblings and sisters);

49-1.1.4. any person who directly or indirectly owns at least 10 percent or more of the legal entity;

49-1.1.6. a legal entity in which a legal entity participates with at least a 20 percent share in its capital;

49-1.1.7. any person who owns at least 20 percent shares (shares) in the legal entities specified in 49-1.1.4 and 49-1.1.6 of this Code;

49-1.1.8. heads of the board of directors (supervisory board) and executive bodies of legal entities specified in Articles 49-1.1.4 and 49-1.1.6 of this Code;

49-1.1.9. Other persons related to banks, non-bank credit organizations and investment funds, as defined by the laws of the Republic of Azerbaijan " On banks " , " On non-bank credit organizations " and " On investment funds ". [\[47\]](#)

49-1.2. When the value of the deal to be concluded with the relevant person is 5 percent or more of the legal entity's assets, that deal is concluded with the opinion of an independent auditor engaged by the legal entity. A decision adopted by a simple majority of the general meeting of the participants of the legal entity. A person who is a relevant person in relation to that contract cannot participate in the voting related to the issue.

49-1.3. When the value of the contract to be concluded with the relevant person is up to 5 percent of the legal entity's assets, in accordance with the legal entity's charter, taking into account the requirements of the general meeting of its participants, the board of directors (supervisory board) or the Law of the Republic of Azerbaijan " On Banks " in relation to banks , is accepted by the executive body. In this case, the participant (member) who is a relevant person cannot participate in the voting at the general meeting of the participants, the meeting of the board of directors (supervisory board) and the collegial executive body. When the head of the sole executive body of a legal entity, as well as its persons specified in Articles 49-1.1.3 and 49-1.1.5 of this Code act as a relevant person in relation to the transaction between them and the legal entity shall be made by the board of directors (supervisory board) in the absence of such a legal entity. closed by the decision of the general meeting of the person. [\[48\]](#)

49-1.4. The guilty persons are responsible for the damage caused to the legal entity as a result of conclusion of the contract in violation of the requirements of Articles 49-1.2 and 49-1.3 of this Code. If the other party to the contract knows that the contract was concluded in violation of the requirements of Articles 49-1.2 and 49-1.3 of this Code, the legal entity or any of its participants may dispute the contract in accordance with Articles 337 and 339 of this Code. [\[49\]](#)

49-1.5. The fact that the head or members of the board of directors (supervisory board) of a legal entity or persons specified in Articles 49-1.1.3 and 49-1.1.5 of this Code act as relevant persons in relation to the concluded contract, as well as the characteristics of their interests in relation to that contract (its creation, volume, etc.) must be submitted in writing to the participants of the legal entity.

49-1.6. The fact that the head of the executive body or other members of the legal entity, the persons specified in Articles 49-1.1.3 and 49-1.1.5 of this Code act as the relevant person in relation to the concluded contract as well as the characteristics of their interests in relation to that contract (its creation , volume, etc.) must be submitted in writing to the board of directors (supervisory board) of the legal entity, and in its absence to the participants of the legal entity. [\[50\]](#)

49-1.7. Except for the head or members of the board of directors (supervisory board) and executive bodies of the legal entity, other persons themselves, the persons specified in Articles 49-1.1.3 and 49-1.1.5 of this Code act as relevant persons in relation to the concluded contract, they must also submit information about the characteristics of their interests (its origin, volume, etc.) in writing to the board of directors (supervisory board) of the legal entity.

Article 50. Name of legal entity

50.1. A legal entity has a name indicating its organizational-legal form. The nature of the entity's activity must be indicated in the name of the non-commercial organization.

50.1-1. In the name of non-governmental organizations, the names of state bodies of the Republic of Azerbaijan, as well as the names of prominent personalities of Azerbaijan (without the permission of their close relatives or heirs) cannot be used. [\[51\]](#)

50.2. A legal entity that is a commercial organization must have a business name. A legal entity whose firm name is registered in accordance with the law has the exclusive right to use that name. The procedure for registering and using company names is determined by legislation.

50.3. It is not allowed to acquire rights and duties under the name of another legal entity. A person who unjustly uses another's registered company name must stop using it at the request of the holder of the company name and pay for the damage caused.

Article 51. Location of legal entity

The location of the permanent body of a legal entity, the headquarters of the political party or the governing body is considered the location of the legal entity. [\[52\]](#)

Article 52. Liability of a legal entity

52.1. A legal entity is liable for its obligations with all property belonging to it.

52.2. The founder (participant) of the legal entity is not responsible for the obligations of the legal entity, and the legal entity is not responsible for the obligations of the founder (participant), except in the cases stipulated in this Code or the charter of the legal entity.

Article 53. Representations and branches

53.1. A separate unit located outside the location of the legal entity and representing and defending the interests of the legal entity is considered a representative office.

53.2. A branch is a separate unit of a legal entity that is located outside its location and performs all or part of its functions, including representative functions.

53.3. Representative offices and branches are not legal entities and operate according to the regulations approved by the legal entity. Heads of representative offices and branches are appointed by the legal entity and act on the basis of its power of attorney. Deputy heads of branches or representative offices of non-governmental organizations whose founders are foreigners or foreign legal entities must be citizens of the Republic of Azerbaijan. [\[53\]](#)

Article 54. Administration

54.2. The department is not a legal entity and operates according to the statute approved by the legal entity.

54.3. The administration implements the rights of ownership, use and disposal of the property entrusted to it within the limits determined by law, in accordance with the goals of its activity, interests of the legal entity and the purpose of the property.

54.4. Responsibility for the administration's obligations rests with the legal entity that created the administration.

54.5. The specifics of the legal status of state offices and other types of other offices are determined by legislation.

Article 55. Reorganization of a legal entity

55.1. Reorganization of a legal entity (merger, merger, division, separation, conversion) is carried out by the decision of its founders (participants) or the authorized body of the legal entity.

55.2. In the cases defined by law, reorganization in the form of division of a legal entity or separation of one or more legal entities from its composition is carried out by a court decision.

55.3. The court appoints the external administrator of the legal entity and instructs him to reorganize the legal entity. From the moment the external administrator is appointed, the powers to manage the affairs of the legal entity are transferred to him. The external manager acts on behalf of the legal entity in court, compiles the division balance sheet and submits it to the court together with the charters of the legal entities resulting from the reorganization. The legally binding decision of the court is the basis for state registration of newly created legal entities in compliance with the requirements of the legislation. [\[54\]](#)

55.4. Except for the case of reorganization in the form of merger, a legal entity is considered to be reorganized from the moment of state registration of newly created legal entities.

55.5. When a legal entity is reorganized in the form of joining another legal entity to it, the original legal entity is considered to be reorganized from the moment the record of the termination of the original legal entity and the record of the joining legal entity is entered in the state register of legal entities.

55.6. *Reorganization of banks is carried out in accordance with the Law of the Republic of Azerbaijan "On Banks".* [\[55\]](#)

55.7. *Reorganization of a legal entity may be prohibited in accordance with the Criminal Procedure Code of the Republic of Azerbaijan for the purpose of ensuring the criminal-legal measures that can be applied to the legal entity. A decision of the court prohibiting the reorganization of the legal entity is immediately sent to the relevant authority.* [\[56\]](#)

Article 56. Legal succession when legal entities are reorganized

56.1. When legal entities merge, the rights and duties of each of them are transferred to the newly created legal entity in accordance with the deed of transfer.

56.2. When a legal entity joins another legal entity, the rights and duties of the joining legal entity are transferred to the original legal entity.

56.4. When one or more legal entities are separated from the legal entity, the rights and duties of the reorganized legal entity are transferred to each of them according to the division balance.

56.5. When a legal entity of one type becomes a legal entity of another type (change of organizational-legal form), the rights and duties of the reorganized legal entity are transferred to the newly created legal entity in accordance with the act of transfer.

Article 57. Transfer deed and division balance

57.1. The assignment deed and division balance must contain provisions on legal succession of the liabilities of the reorganized legal entity to all creditors and debtors, including liabilities incurred by the parties.

57.2. The deed of transfer and the division balance are approved by its founders (participants) who have made a decision on the reorganization of the legal entity, or by the authorized body of the legal entity with the charter, and together with the charters, they are submitted for state registration of newly created legal entities or changes to the charters of existing legal entities.

57.3. Failure to submit the deed of transfer and division balance along with the charters, or the lack of provisions on legal succession to the obligations of the reorganized legal entity in the deed of transfer, leads to the refusal to state registration of newly formed legal entities.

Article 58. Guarantees for the rights of creditors of a legal entity during reorganization

58.1. The founders (participants) of the legal entity or the authorized body of the legal entity who have made a decision on the reorganization of the legal entity, and in the cases provided for in Article 55.3 of this Code, the external administrators are obliged to send a written notification to its creditors about the reorganization of the legal entity.

58.2. The creditor of the reorganized legal entity has the right to demand the termination of obligations owed by the reorganized legal entity or their early execution and payment of damages.

58.3. If the division balance does not allow to determine the legal successor of the reorganized legal entity, the newly created legal entities are jointly responsible for the obligations of the reorganized legal entity to its creditors.

Article 59. Liquidation of a legal entity

59.1. Liquidation of a legal entity means termination of its existence and activity without rights and duties to other persons in the order of legal succession.

59.2. A legal entity may be dissolved in the following cases:

59.2.1. by the decision of its founders (participants) or legal entity authorized by the charter as in connection with the end of the term provided for the existence of the legal entity or achievement of the goal set at the time of its creation;

59.2.2. in the event that its registration is considered invalid by the court due to violation of legislation committed during the creation of a legal entity;

ic association or fund regularly engages in activities contrary to its charter objectives, as w
this Code , "About Banks" , "On insurance activity" and "On investment funds" in other cases prov
by the laws of the Republic of Azerbaijan by the decision of the court; [\[57\]](#)

59.2.4. when a criminal-legal measure in the form of liquidation of a legal entity is applied by
decision of the court. [\[58\]](#)

59.2-1. Participant or authorized body of a legal entity on the grounds indicated in Article 59.2.1 of
must have the ability to pay to meet the demands of all the creditors of the legal entity within 12 months
executive body that directs the current activities of the legal entity. requires the acceptance of a confirmin
statement (about the state of assets and liabilities). The executive body of the legal entity accepts this stat
later than 20 days before the cancellation decision or states that it is impossible to accept such a stateme
the executive body reports the impossibility of accepting the statement, the general meeting of particip
involve an independent auditor to confirm the solvency of the legal entity to meet the demands of all its
within 12 months. When an independent auditor confirms the solvency of a legal entity with his opin
opinion is equal to the statement defined by this article. [\[59\]](#)

59.3. A request for the liquidation of a legal entity on the grounds specified in Articles 5
59.2.3 of this Code may be submitted to the court by a state body (institution) ~~or a local self-gov
body~~, which is given the right to make such a request by law . According to the decision of the
liquidation of a legal entity, its founders (participants) or the body authorized for its liquidatic
charter of a legal entity may be entrusted with the tasks of liquidation of a legal entity. Accordi
final decision of the court on the liquidation of a legal entity on the basis specified in Article 59.2.4 of this
liquidation commission (adjuster) is entrusted with the tasks of liquidation of a legal entity. [\[60\]](#)

59.4. A legal entity is also dissolved as a result of bankruptcy.

59.5. If the value of the liquidated legal entity's property is not sufficient to satisfy the c
claims, it can be liquidated only as a result of bankruptcy.

59.6. The total duration of the liquidation process should not exceed one year from the mo
information about the liquidation of a legal entity is entered into the state register of legal entities. Expi
period causes the revocation process to start again. [\[61\]](#)

59.7. In the event of liquidation of branches or representative offices of foreign legal entities,
established by this Code and the Law of the Republic of Azerbaijan "On State Registration and State R
Legal Entities" shall be applied to the liquidation of legal entities. [\[62\]](#)

59.8. Liquidation of local banks, their branches, departments and representative offices, as wel
branches and representative offices of foreign banks is carried out taking into account the requirements o
of the Republic of Azerbaijan "On Banks". [\[63\]](#)

59.9. In order to ensure the criminal-legal measures that can be applied to it, liquidation of a legal
the decision of its founders (participants) or legal entity authorized by the charter may be prohibited in th
provided for in the Criminal Procedure Code of the Republic of Azerbaijan. The decision of the court pr
the liquidation of a legal entity is immediately sent to the relevant executive authority. [\[64\]](#)

60.1. With the decision on the liquidation of a legal entity, a liquidation commission (adjudicator , liquidator) is appointed, the order and terms of liquidation are determined in accordance with this Code, and the liquidation begins.

60.2. During the liquidation process, the legal capacity of the legal entity is preserved in full.

60.3. The participants of the legal entity that has adopted a decision on the liquidation of a legal entity authorized for this by the charter shall operate only within the framework of the liquidation process from the date of the decision on liquidation. The liquidation commission (adjudicator , liquidator) acts in court on behalf of the liquidated legal entity .

60.4. From the moment the liquidation commission (liquidator , liquidator) is appointed, the management of the affairs of the legal entity are transferred to it. The liquidation commission (liquidator , liquidator) continues its work in order to sell the property of the legal entity in an economically efficient, cost-effective and quick manner in order to pay off the debts and retain the residual income, and to distribute the remaining assets among the participants after the payment of the debts. When a non-profit organization is liquidated, the determination of the remaining property after the payment of its debts is resolved in accordance with Articles 114.3, 116.3 and 117.7 of this Code.

60.5. Members of the liquidation commission (adjudicator , liquidator) must comply with the requirements of Article 49.3 of this Code during their activities.

60.6. The members of the liquidation commission (regulator , liquidator) may be recalled or replaced by other persons in the manner in which they were appointed.

Article 61. Procedure for liquidation of a legal entity [\[66\]](#)

61.1. The liquidation commission (liquidator , liquidator) within 10 days from the day of its appointment publishes the first information about the procedure and period for the liquidation of a legal entity and notification of creditors' demands in the printed publication where information about the state registration of legal entities is published in the Republic of Azerbaijan. This information is published twice more in the same manner in an interval of 15-20 days each time. Creditors' claims may not be less than 60 days from the date of publication of the first notice of liquidation.

61.2. Within 15 days after the date of appointment of the liquidation commission (liquidator , liquidator) from the date of the decision on liquidation, the official statement confirming the solvency specified in Articles 59.2-1 and 59.3 of this Code, the document confirming the publication of the first information and the seal of the liquidation commission submit it to the relevant executive authority that carries out state registration. The relevant executive authority carrying out the state registration of legal entities enters the submitted information into the state register of legal entities in accordance with the Law of the Republic of Azerbaijan "On State Registration and State Registration of Legal Entities" within 5 days from the day of receipt. After that, during the preparation of documents by the liquidation commission, a stamp with the inscription "in the process of cancellation" is used, and the words "in the process of cancellation" are added after its name in all documents.

61.3. The liquidation commission (liquidator , liquidator) takes measures to identify creditors and their receivables, as well as on the day of publication of the liquidation announcement in the press, it sends a notification to unknown creditors about the liquidation of the legal entity, compulsory payments to the state budget and compulsory state social insurance fees to the extra-budgetary state fund and unemployment insurance fees, as well as

61.3-1. The liquidation commission ensures that the documents created as a result of its activities, activities of the liquidated legal entity and included in the archive document in accordance with the Law of the Republic of Azerbaijan "On the National Archive Fund" are handed over to the relevant state archival organization at the location of the legal entity. [\[68\]](#)

61.4. If the liquidation commission (adjuster, liquidator) does not agree with the demand put forward by any creditor, that creditor has the right to file a lawsuit in court. Until the court decision on the demand is adopted, the funds necessary for its provision must be kept.

61.5. Within 10 days after the expiry of the deadline for submitting creditors' claims, the liquidation commission (adjuster, liquidator) prepares and approves the interim liquidation balance and sends it to the participants of the legal entity. The interim liquidation balance includes at least information about the composition of the liquidated legal entity's property, the list of creditors' claims and receivables. A participant with a share of the authorized capital of a legal entity who is not satisfied with the balance of the interim liquidation balance may demand the convening of a general meeting within 7 days from the day of receiving that balance. In the interim liquidation balance must be approved by the general meeting of participants.

61.6. When the liquidation commission (adjuster, liquidator) determines that the property of the liquidated legal entity is insufficient to satisfy the demands of creditors, it must immediately start the bankruptcy proceedings.

61.7. The liquidation commission (adjuster, liquidator) pays the creditors of the liquidated legal entity in accordance with the interim liquidation balance in the order of rotation, including requests for payment from the day of its approval.

61.8. Within 5 days after settlement with all known creditors, the liquidation commission (adjuster, liquidator) shall divide the liquidation balance and residual property among the participants (in the case of a profit organization, in accordance with Articles 114.3, 116.3 and 117.7 of this Code) prepares a plan reflecting the division. That balance sheet and report must be approved by the participants of the legal entity authorized by the charter no later than 45 days after the day of its preparation.

61.9. Creditors can file their claims until the liquidation balance is approved.

61.10. Within 10 days after the liquidation balance is approved, the liquidation commission (adjuster, liquidator) shall present the remaining property to the participants of the legal entity in accordance with the approved division plan, and in the case of a non-commercial organization, in accordance with the approved plan, Articles 114.3, 116.3 of this Code ensures that it is used in accordance with Articles 1 and 11 of the Code. The division of property is carried out in proportion to the share of the participant. If there is no participant of the liquidated legal entity, the remaining property is transferred to the state. On behalf of the state, the relevant executive authority accepts the property.

61.11. The liquidation commission (adjuster, liquidator) within 10 days after the division of the remaining property shall submit the approved liquidation balance, the report reflecting the plan for the use of the remaining property, the presentation of that property to the participants (in the case of a profit organization, this Code the document confirming its use in accordance with Articles 114.3, 116.3 and 117.7 of this Code) and other documents provided for in Article 16.2 of the Law of the Republic of Azerbaijan "On State Register of Legal Entities" by the relevant executive authority that carries out the state registration of legal entities to the authority.

61.12. The liquidation of a legal entity is considered to have been completed from the moment the liquidation is entered in the state register of legal entities, and the legal entity has ceased to exist.

that property into money and distribute it among the participants (in the case of a non-profit organization use it in accordance with Articles 114.3, 116.3 and 117.7 of this Code). The emergence of new obligations removal of a legal entity from the state register does not lead to the re-opening of the liquidation process.

Article 62. Payment of creditors' claims ^[69]

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~~62.1. When a legal entity is liquidated, its creditors' claims are paid in the following order:~~

~~62.1.1. first of all, the claims of creditors on obligations secured by pledging the property of the liquidated legal entity are paid;~~

~~62.1.2. secondly, through the capitalization of the corresponding promised payments, the claims of the natural persons are paid, to whom the liquidated legal entity is responsible for damage to health;~~

~~62.1.3. in the third place, settlements are made on the provision of severance benefits, payment of labor of persons working under an employment contract, and the payment of fees under authorship contracts;~~

~~62.1.4. in the fourth place, mandatory payments to the budget and debt for mandatory state insurance fees to the extra-budgetary state fund are paid;~~ ^[70]

~~62.1.5. Settlements are made with the remaining creditors in the fifth place.~~

~~62.1.-2. The sequence of payment of the insurer's creditors' claims is determined by the Law of the Republic of Azerbaijan "On Insurance Activity".~~ ^[71]

~~62.2. The requirements of each shift are paid after the requirements of the previous shift are satisfied.~~

~~62.3. When the liquidation commission refuses to pay the creditor's claims or refuses to accept them, the creditor has the right to file a lawsuit against the liquidation commission until the liquidation balance of the legal entity is approved.~~

~~62.4. After the expiration of the period determined by the liquidation commission for satisfaction of claims, the claims made by the creditor are paid from the remaining property of the liquidated legal entity after the claims made by the creditors have been paid in time.~~

~~62.5. Claims of the liquidated legal entity's creditors, which have not been accepted by the liquidation commission, are deemed to have been paid in cases where the creditor has not filed a lawsuit with the court, as well as the claims refused to be paid to the creditor by a court decision.~~

Article 63. Bankruptcy of a legal entity

63.1. If a legal entity is unable to pay the demands of creditors, it may be declared bankrupt by a court's decision.

63.2. The grounds and procedure for declaring a legal entity bankrupt by the court are determined by the laws of the Republic of Azerbaijan "On Insolvency and Bankruptcy" and "On Banks", respectively,

64.1. Business partnerships and societies are commercial organizations with charter (jointly divided into the shares of their founders (participants)). The property created due to capital investment of the founders (participants), as well as the property produced and acquired by the partnership or society in the process of its activity, belongs to it by right of ownership. In the cases provided for in this Code, an economic partnership can be established by one person.

64.2. Business partnerships can be created in the form of a general partnership or a limited liability partnership.

64.3. Business companies can be created in the form of a limited or additional liability company or a joint-stock company.

64.4. Only individual entrepreneurs and (or) commercial organizations can be participants in general partnerships and full partners in limited partnerships.

64.5. Participants of economic societies and founders of limited partnerships can be individual entrepreneurs or legal entities.

64.6. State bodies and local self-government bodies cannot act as participants in economic partnerships and societies.

64.7. Economic partnerships and societies may be founders (participants) of other economic partnerships and societies, except for the cases provided for in this Code.

64.8. The capital invested in the property of the business partnership or society may consist of money, securities, other property or property rights or other rights with monetary value.

64.9. The monetary evaluation of the capital of the participant of the economic society is carried out according to the agreement between the founders (participants) of the society and must undergo an independent expert inspection (audit).

Article 65. Rights and duties of the participants of the economic partnership or society

65.1. Participants of a business partnership or society:

65.1.1. may participate in the management of the affairs of the partnership or society, except for the cases provided for in this Code;

65.1.2. can get information about the activities of the partnership or society and get acquainted with its accounting books and other documents in the manner specified in the charter;

65.1.3. may participate in profit sharing;

65.1.4. in case of liquidation of the partnership or society, they can receive the remaining property or its value after settlement with the creditors.

65.2. Participants of a business partnership or society may have other rights provided for in this Code and the charter of the partnership or society.

65.3. Participants of a business partnership or society:

65.3.1. they must leave a deposit in the manner, quantity, methods and periods stipulated in the charter;

65.3.2. they must not disclose confidential information about the activities of the partnership or society;

65.3.3. they must carry out other duties stipulated in its charter.

66.1. Economic partnerships and societies may be transformed into other types of partnerships and societies by the decision of the general meeting of participants in accordance with the procedure specified in this Code.

66.2. During the transformation of the partnership into a society, every general partner who is a participant (shareholder) of the society bears subsidiary liability for the obligations transferred to the society within two years with all his property. Expropriation of the shares belonging to him by the former partner does not exempt him from such responsibility.

Article 67. Subsidiary company

67.1. A holding company is considered a subsidiary company if another (main) holding company has the opportunity to determine the decisions made by that company due to its participation in its charter capital or in accordance with the agreement concluded between them.

67.2. A subsidiary company is not liable for the debts of the parent partnership or company.

67.3. The main partnership or company, which has the right to give binding instructions to the subsidiary company, is jointly responsible with it for the contracts concluded by the subsidiary company for the execution of those instructions. The main partnership or company is considered to have the right to give binding instructions to the subsidiary company only if this right is stipulated in the charter of the subsidiary company.

67.4. The participants (shareholders) of the subsidiary company may demand from the main partnership or the company to pay compensation for the damage caused to the subsidiary company by its fault. The damage is considered to have been caused by the fault of the main partnership or company only if it occurred as a result of the subsidiary company's execution of the main partnership or company's instructions for the subsidiary company.

67.5. If the subsidiary company is bankrupt due to the fault of the main partnership or company, the main partnership or company shall bear subsidiary liability for its debts. A subsidiary company may be considered bankrupt due to the fault of the main partnership or company if it becomes bankrupt as a result of the main partnership or company executing its mandatory instructions for it.

67.6. *Subsidiary company does not have the right to buy shares (shares) of the main company.* [\[73\]](#)

Article 68. Dependent economic society

68.1. A holding company is considered a dependent company if more than twenty percent of the authorized capital of the limited liability company or more than twenty percent of the voting shares of the joint-stock company belong to another (superior, participating) partnership or company.

68.2. A business partnership or company that acquires more than twenty percent of the authorized capital of a limited liability company or more than twenty percent of the voting shares of a joint-stock company must publish information about it without delay.

68.3. *The subsidiary company does not have the right to buy shares (shares) of the main company.* [\[7\]](#)

69.1. A partnership is considered a full partnership if its participants (full partners) engage in entrepreneurial activity on behalf of the partnership in accordance with the charter and are responsible for the obligations of the partnership with their property.

69.2. A person can be a participant in only one general partnership.

69.3. The firm name of a general partnership must include the names of all its participants and the words "general partnership" or include the names of one or more participants with the additional words "and partners" and "general partnership".

Article 70. Charter of the general partnership

In addition to the information specified in Article 47.2 of this Code in the charter of the partnership, about the amount and composition of the joint capital of the partnership; about the amount of each participant's share in the joint capital and the procedure for changing it; about the conditions of their yeasts and the method of yeast laying; conditions on the responsibility of the participant in case of violation of duties on putting yeast should be specified.

Article 71. Management in full partnership

71.1. The activities of the general partnership are governed by the common consent of all participants. The charter of the full partnership may provide for cases where the decision is made by a majority vote of the participants.

71.2. If the charter does not provide for another rule for determining the number of votes of the participants of the general partnership, each participant of the general partnership has one vote.

71.3. Each participant of the partnership can get acquainted with all the documents relating to the conduct of the affairs of the partnership, regardless of whether he is authorized to conduct the affairs of the partnership. Waiver or limitation of this right, including waiver or limitation by agreement of the partnership participants, is irrelevant.

Article 72. Conducting the affairs of the general partnership

72.1. If the charter of the general partnership does not specify that all its participants conduct the affairs of the partnership together or entrust the conduct of work to individual participants, each participant of the partnership can act on behalf of the partnership.

72.2. The consent of all the participants of the partnership is required for the conclusion of an agreement when the participants of the partnership conduct its business together.

72.3. If the participants of the partnership entrust one or some of the participants to conduct the affairs, the remaining participants must obtain a power of attorney from the participant (participants) to whom the partnership's affairs are entrusted in order to conclude contracts on behalf of the partnership.

72.4. In relations with third parties, the partnership cannot refer to the provisions of the charter limiting the powers of its participants, but the cases where the partnership proves that the third party knew or should have known that the partner of the partnership does not have the right to act on behalf of the partnership at the time of the conclusion of the contract are an exception.

ends, including when the authorized person (persons) grossly violates his duties or it turns out he is not capable of conducting affairs wisely. According to the court decision, the partnership charter is amended accordingly.

Article 73. Duties of a partner in a general partnership

73.1. The participant of the general partnership is obliged to participate in the activities of the partnership in accordance with the terms of the charter.

73.2. A participant in a general partnership is obliged to contribute to his share capital if the partnership is registered.

73.3. A participant of a general partnership does not have the right to enter into contracts of the same nature as the contracts that form the subject of the partnership for his own interests or the interests of third parties without the consent of the remaining participants.

73.4. When this rule is violated, the partnership may, at its discretion, require that participant pay compensation for the damage caused to the partnership or to give to the partnership all the proceeds obtained from such transactions.

Article 74. Distribution of profits and losses of the general partnership

74.1. The profit and loss of the general partnership, unless otherwise stipulated in the charter or other agreement of the participants, is distributed among its participants in proportion to their share of the joint capital. An agreement to exclude a partner from profit and loss is irrelevant.

74.2. If, as a result of the loss incurred by the partnership, the value of its net assets is less than the amount of its share capital, the profit taken by the partnership is not distributed among its participants until the value of the net assets increases and exceeds the amount of share capital.

Article 75. Liability of the participants of the general partnership for its obligations

75.1. The participants of the general partnership bear subsidiary responsibility for the obligations of the partnership together with their property.

75.2. A participant who is not the founder of a general partnership is equally liable with the other participants for the obligations incurred before his entry into the partnership.

75.3. A participant who has left the partnership is equally responsible for the obligations of the partnership that occurred up to the date of his withdrawal, within two years from the date of the report on the activity of the partnership for the year of his withdrawal, with the remaining participants.

75.4. The agreement of the partnership participants on the limitation or elimination of liability provided for in this article is irrelevant.

Article 76. Changing the composition of full partnership participants

76.1. When any participant of a general partnership withdraws from the partnership or dies,

court decision, when the legal entity participating in the partnership is dissolved, or the partner may continue its activity when the seizure by the creditor of one of the participants is directed at part of the property corresponding to his share in the joint capital, if this is provided for in the charter of the partnership or the agreement of the remaining participants.

76.2. The participants of a general partnership have the right to demand the judicial removal of the participants from the partnership by the unanimous decision of the remaining participants if there are serious grounds for this, for example, when that participant grossly violates his duties or it turns out that he is not capable of conducting affairs wisely.

Article 77. Participant withdrawal from full partnership

77.1. A participant of a general partnership has the right to withdraw from the partnership by stating that he/she refuses to participate in the partnership.

77.2. The participant must notify that he/she refuses to participate in the full partnership no later than six months before the actual exit from the partnership.

77.3. The agreement between the participants of the partnership on the waiver of the right to withdraw from the partnership is irrelevant.

Article 78. Consequences of withdrawal of a participant from a full partnership

78.1. A participant who has left a full partnership, unless otherwise provided for in the charter, must pay the value of the part of the partnership property corresponding to that participant's share in the joint capital. According to the agreement between the departing participant and the remaining participants, the payment of the property value can be replaced by giving the property in kind. The portion of the partnership property or its value due to the departing participant is determined according to the balance drawn up at the time of his departure, except for the case provided for in Article 75.3 of this Code.

78.2. When a participant of a general partnership dies, his heir can enter the general partnership only with the consent of other participants, unless otherwise stipulated in the charter of the partnership. A legal entity that participated in a full partnership and is a legal successor of a reorganized legal entity may enter the partnership with the consent of its other participants, unless otherwise stipulated in the partnership's charter. Settlements with the heir (legal heir) who is not part of the partnership are made in accordance with Article 78.1 of this Code. In accordance with Articles 75.2 and 75.3 of this Code, the heir (legal heir) of a full partnership participant is responsible for the obligations of the partnership which the outgoing participant must answer to third parties, to the extent of the property passed on by the outgoing participant of the partnership to him.

78.3. If one of the participants leaves the partnership, the shares of the remaining participants in the joint capital of the partnership increase accordingly, unless otherwise stipulated in the charter or agreement of the participants.

Article 79. Transfer of the participant's share in the joint capital of the general partnership

79.2. When the share (part of the share) is given to another person, all or the corresponding rights belonging to the participant who gave the share (part of the share) is transferred to the person to whom the share (part of the share) has been given is responsible for the obligations of the partnership in the manner specified in Article 75.2 of this Code.

79.3. If a partnership participant gives his entire share to another person, his participation in the partnership is terminated and causes the consequences provided for in Articles 75.2 and 75.3 of this Code.

Article 80. Directing of deduction to the participant's share in the joint capital of the partnership

80.1. Deduction for debts (personal debts) of the participant not related to participation in the partnership is allowed to be directed to the participant's share in the property of the general partnership only if his other property is not sufficient to pay the debts. Creditors of that participant may request to set aside that part in order to direct the withholding from the general partnership to the participant's share in the partnership property corresponding to the debtor's share in the partnership capital. The separation of the partnership's property or its value is determined on the basis of the balance sheet drawn up at the time when the creditors make a request for separation.

80.2. Directing the seizure of the property corresponding to the participant's share in the joint capital of the general partnership terminates his participation in the partnership and causes the consequences provided for in Article 75.3 of this Code.

Article 81. Dissolution of general partnership

81.1. A full partnership is canceled on the grounds specified in Article 59 of this Code, as well as when there is only one participant left in the partnership. That participant has the right to convert the partnership into an economic society within six months from the moment of remaining as the only participant in the partnership in accordance with the procedure defined in this Code.

81.2. In the cases provided for in Article 76.1 of this Code, the full partnership is terminated if the partnership's charter or the agreement of the remaining participants does not stipulate that the partnership will continue its activity.

Article 82. Limited partnership

82.1. A limited partnership is a partnership in which, together with its participants (full partners) who carry out entrepreneurial activities on behalf of the partnership and are responsible for the obligations of the partnership with their own property, one or more persons who bear the risk of the extent of the amount of their capital for losses related to the activity of the partnership and who do not participate in the entrepreneurial activity of the partnership there are several participant-venturers.

82.2. The legal status of the general partners participating in the limited partnership and their responsibility for the obligations of the partnership are determined by the rules of the

82.3. A person can only be a general partner in a limited partnership. A participant in a partnership cannot be a full partner in a limited partnership. A general partner in a limited partnership cannot be a participant in a general partnership.

82.4. The name of a limited partnership must include the names of all full partners and the words "limited partnership" or the words "and partners" and "limited partnership" with the name of each full partner.

82.5. If the name of the yeast is included in the firm name of the limited partnership, the yeast becomes a general partner.

82.6. The rules of this Code on general partnership are applied to limited partnership under the condition that those rules do not conflict with the rules of this Code on limited partnership.

Article 83. Charter of limited partnership

In addition to the information specified in Article 47.2 of this Code in the charter of the partnership, about the amount and composition of the partner capital of the partnership; an amount of each of the full partners' share in the joint capital and the procedure for changing it; a composition of the partners they leave and the order of leaving partners, about their responsibilities violating the duties on leaving partners; Conditions about the total amount of yeast given by the partners should be specified.

Article 84. Management and conduct of business in limited partnership

84.1. Management in a limited partnership is carried out by full partners. The order of management by the general partners and the conduct of its work are determined by the general partners based on the rules of the general partnership of this Code.

84.2. The founders have no right to participate in the management and conduct of the affairs of the limited partnership, to act on its behalf without a power of attorney. They cannot dispute the actions of the general partners in the management and conduct of the affairs of the partnership.

Article 85. Rights and obligations of the founder of the limited partnership

85.1. A partner who puts yeast in a limited partnership is obliged to put yeast in capital. The placement is confirmed by a certificate of participation issued by the partnership to the person who puts the yeast.

85.2. The founder of the limited partnership has the following rights:

85.2.1. to receive the part of the profit of the partnership corresponding to its share in capital in the manner stipulated in the charter;

85.2.2. to get acquainted with the annual reports and balance sheets of the partnership;

85.2.3. withdraw from the partnership at the end of the financial year and receive its share in accordance with the charter;

85.2.4. to give its share in the joint capital or its part to another shareholder or a third party.

85.3. Yeast investors have the right of priority over third parties in purchasing the shares.

85.4. The charter of the limited partnership may provide for other rights of the leavers.

Article 86. Termination of limited partnership

86.1. A limited partnership is dissolved when all the founders leave the partnership. If instead of dissolving a limited partnership, general partners can convert it into a general partnership. The limited partnership is also canceled on the basis of the cancellation of the full partnership. If if at least one full partner and one leaver remain in the limited partnership, the partnership is maintained.

86.2. In case of liquidation of the limited partnership, including in the case of bankruptcy, creditors have the right of priority over the general partners in purchasing the remaining property of the partnership after the demands of the creditors of the partnership have been paid. The remaining property of the partnership is distributed among the full partners in proportion to their shares in the joint capital of the partnership, unless otherwise stipulated in the charter agreement of the general partners.

Article 87. Limited liability company

87.1. A company founded by one or more persons (natural and (or) legal entity), whose capital is divided into the number of shares determined by the charter, is considered a limited liability company. The participants of the limited liability company are not responsible for its obligations; they bear the risk to the extent of the value of the funds they have invested for damages related to the company's activities. The company is not responsible for the obligations of its participants and other parties. [\[75\]](#)

87.2. A company may be established by the creation of a new company in accordance with this Code or by reorganization (merger, division, separation, transformation) of a legal entity, taking into account the rules and restrictions set forth in this Code.

87.3. The founders, at the holding the founding meeting of the company and concluding the contract (in accordance with what is provided for in Article 45.2 of this Code) or adopting a decision on the establishment of the company (when the company was created by one person), paying the authorized capital (if the company's charter does not provide for the payment of the authorized capital for a certain period) and including in the charter the preparation of the charter. [\[76\]](#)

87.4. During the creation of the company, the founding meeting is held after the company's capital is completely formed by the founders (if the charter of the company does not provide for the payment of the charter capital for a certain period). The founding meeting is authorized (with a quorum) when all the founders or their representatives are present. If there is no quorum, the meeting is held again. If the quorum is not present at the repeatedly held founding meeting, the establishment of the company is considered incomplete by the founders or their representatives present at the meeting, and this decision is brought to the attention of all founders within seven days.

87.5. Founding meeting held during the establishment of the society:

87.5.1. approves the value of non-monetary deposits paid to the charter capital du

87.5.3. organizes the management bodies of the company provided by this Code and the charter;

87.5.4. resolves other issues related to the creation of the company and the start of the activities that do not contradict this Code, other legislative acts and the agreement concluded with the founders.

87.6. At the company's founding meeting, decisions on the establishment of the company, approval of the charter, approval of the value of non-monetary deposits paid to the charter capital at the establishment of the company, and the formation of management bodies are adopted by the participants unanimously, and on other issues by a simple majority vote.

87.7. The founders of the company are jointly responsible for the obligations arising in connection with the creation of the company and before its state registration.

87.8. In the name of the limited liability company, the name of the company, as well as the words "limited liability company" must be indicated.

87.9. The legal status of the limited liability company, as well as the rights and duties of the participants, are determined by this Code. [\[77\]](#)

87.10. *A transaction in the amount of more than fifty percent of the value of the limited liability company's net assets is considered a particularly significant transaction. The decision to conclude a particularly important contract is made at the general meeting of the company's participants.* [\[78\]](#)

Article 88. Participants of the limited liability company

88.1. The number of participants of the limited liability company should not exceed the number established by the legislation. Otherwise, it must be transformed into a joint-stock company within one year, and after the expiration of this period, if the number of its participants is not reduced to the number established by law, it must be dissolved by court order.

88.2. The sole participant of a limited liability company cannot be another economic entity consisting of one person.

Article 89. Charter of the limited liability company

In addition to the information specified in Article 47.2 of this Code in the charter of the limited liability company, about the amount of the charter capital of the company; about the amount of the contribution of each of the participants; about the composition of the management bodies they leave and the order of leaving; about the responsibilities of the participants for violating the obligations on leaving; about the composition and authority of the society's management bodies, the conditions for their decision-making, including the procedure for decision-making on issues that are decided by unanimity or by a simple majority of votes, should be specified.

Article 90. Authorized capital of a limited liability company

90.1. The authorized capital of a limited liability company is made up of the value of the c

less than the amount that guarantees the interests of its creditors. *The minimum amount of a capital and the order of its formation in relation to entities controlled in the financial markets are determined taking into account the requirements of sectoral laws.* [\[79\]](#)

90.2. If the charter of the limited liability company does not provide for the payment of the charter capital for a certain period, the founders are obliged to pay the charter capital in full until the company is state registered. If the charter of the limited liability company stipulates a period for the payment of the charter capital, this period cannot exceed three months. [\[80\]](#)

90.3. It is not allowed to exempt a participant of a limited liability company from the obligation to contribute to the charter capital of the company, ~~including by way of offsetting claims against the company.~~ [\[81\]](#)

90.3-1. *During the increase of the authorized capital of a limited liability company, based on the unanimous decision of the company's participants, persons who have monetary claims against that company may be exempted from the obligation to deposit cash into the authorized capital by substituting monetary claims and become a participant of the limited liability company. Such an initiative can be taken by individuals and (or) societies who have money claims against the society.*

Substitution of monetary claims of persons with monetary claims against entities controlled in the financial markets with a share in the authorized capital of those entities is carried out taking into account the requirements for obtaining a significant participation share in the laws regulating the financial markets. [\[82\]](#)

90.4. If the value of the limited liability company's net assets is less than the authorized capital at the end of the second or every subsequent fiscal year, the company is obliged to announce and implement the reduction of its authorized capital in the prescribed manner. If the value of the specified assets of the company is less than the minimum amount of the authorized capital, the company must be liquidated.

90.4. The authorized capital of a limited liability company shall be increased proportionally to the value of the participants' shares in the authorized capital at the expense of the company's property in accordance with this Code and the company's charter only after its full payment and (or) through the means of placing additional shares by the participants and (or) *demanding money against the company to be increased by compensating the money claims of the persons with a share in the authorized capital of the company and (or) due to the funds of new participants admitted to the company. Except for the cases where there are provisions in the laws regulating the financial markets regarding compensation of monetary claims against a share in the authorized capital of the company, if the unpaid loss of the company as a result of economic activity exceeds its authorized capital, the difference between that excess amount and the amount of debt that is in fact to be compensated by the participation share is eliminated due to the investment of additional capital. When the authorized capital is raised, compensation of monetary claims against the society is allowed. When determining the unpaid loss as a result of the company's economic activity, the costs incurred due to amortization allocations to fixed assets are taken into account.* [\[83\]](#)

90.5. The increase of the authorized capital of the limited liability company at the expense of the company's property is carried out by the decision of the general meeting of the company in the manner stipulated in the company's charter. Such a decision can be made only on the basis of the indicators shown in the company's *financial reports* for the previous year. The amount of the authorized capital increases by the amount of the

participants' capital increases proportionally without changing the amount of capital of the participants. [\[84\]](#)

90.6. The increase of the authorized capital of the limited liability company due to the additional shares of the participants is carried out by the decision of the general meeting of the company in the manner stipulated in the company's charter. This decision shall determine the total value of additional shares, as well as the ratio between the value of the participant's additional share and the amount by which the nominal value of his share is increased. That ratio is determined taking into account the nominal value of the participant's share may increase by an amount equal to or less than his share. Each participant has the right to put in additional shares in proportion to the amount of capital of the authorized capital of that participant, which does not exceed the total value of additional shares. Additional shares by the participants must be deposited within the period specified in the charter of the association or in the decision of the general meeting after the decision of the general meeting is adopted. The transfer of the specified period for placing additional shares causes the failure to increase the authorized capital by the mentioned method.

90.7. In accordance with Article 90.6 of this Code, the decision of the general meeting of the company to increase the charter capital of the company shall be based on the application of a participant (participants) to invest additional capital and (or) if not prohibited by the charter, the acceptance of the third person (persons) as a participant in the company. The application is accepted on the basis of the application for making and putting yeast. The application specifies the amount and composition of yeasts, the order and duration of their investment, the amount of yeasts that the participant or person wants to have in the authorized capital. In the application, other conditions for placing and entering the society may be indicated. The general meeting of the company adopts a decision on the increase of the charter capital based on the application of the participants, and at the same time, a decision on the changes to the charter in connection with the increase of the amount of the authorized capital and the nominal value of the capital of the participant who submitted the application. In the case of the decision to increase the charter capital based on the application of a third party, the general meeting adopts a decision on changes to the charter in connection with the admission of a third party to the company, determination of the nominal value of his capital and changes in the amounts of capital of the participants. The nominal value of the yeast of the third party admitted to the company shall be equal to or less than the amount of the value of his share. If the increase of the authorized capital is taken place, the company must return the additional yeast of the participants and the yeast of the third parties, respectively, within a reasonable time.

90.8. Reduction of the authorized capital of a limited liability company can be carried out by reducing the nominal value of all participants' capital. By reducing the nominal value of the shares of all participants, the reduction of the authorized capital is carried out while maintaining the ratio of the authorized capital of all participants. Reduction of the authorized capital of the company is carried out based on the decision of the general meeting of the company. After the decision of the general meeting on the reduction of the charter capital is adopted, the company must send written information about it to its creditors within the period specified in the charter or the decision of the general meeting of the company. Creditors of the company have the right to demand early fulfillment or termination of relevant obligations of the company and compensation for the losses incurred within one month.

Article 90-1. Distribution of profits in a limited liability company [\[86\]](#)

90-1.1. The distribution of the net profit obtained as a result of the activity of the limited company among the participants is carried out in accordance with the procedure defined in the company's charter based on the decision taken by the general meeting of the company. In that case, the total or partial distribution of profits can be determined.

90-1.2. Each participant of a limited liability company has the right to receive profits in accordance with their share in the charter capital. *The net* profit must be paid within one month after the decision of the general meeting. [\[87\]](#)

90-1.3. A limited liability company cannot make a decision on the distribution of profits in the following cases:

90-1.3.1. if at the time of the adoption of the decision provided for in Article 90-1.1 of this Code the company complies with the signs of bankruptcy or bankruptcy established by law, or if such signs appear as a result of the adoption of that decision;

90-1.3.2. if the value of the company's net assets is less than its authorized capital at the time of the decision provided for in Article 90-1.1 of this Code or will be less than its amount as a result of the adoption of that decision.

Article 91. Management in a limited liability company

91.1. The supreme body of the limited liability company is the general meeting of its participants. In a society with one participant, the powers of the general meeting of the society are exercised by the participant alone. In case it is stipulated in the charter of the company, *as well as in socially important institutions*, the company's board of directors (or supervisory board) and (or) inspection commission (inspector) *are created*. In a limited liability company, an executive body (collegial or single-headed) is created, which carries out current management of its activities and reports to the general meeting of participants. *The head and members of the collegial executive body of the company or the head of the executive body of the company* may be elected from among those who are not its participants. [\[88\]](#)

91.1-1. The general meeting of the participants of the limited liability company can be convened as extraordinary. Each participant has the right to participate in the general meeting of the company, to elect (appoint) the society's bodies, to be elected (to be appointed) to them, to participate in voting (*except for the cases stipulated in Articles 49-1.2 and 49-1.3 of this Code*), has the right to participate in person or to be represented by a representative appointed in accordance with this Code. *request changes to the agenda of the general meeting and to add new discussion topics to the agenda*. Any agreement or action that restricts those rights of participants is void. The company's participants vote in the general meeting in proportion to each participant's share in its charter capital. The head and members of the collegial executive body who are not participants of the company or the head of the executive body of the company can participate in the general meeting with the right of advisory vote. In addition to the issues referred to the exclusive powers of the general meeting of the society's participants by this Code, other issues may also be referred to the powers of the general meeting of the

91.1-2. The next general meeting of the company's participants is convened by the executive body of the company during the period specified in the charter, but not less than once a year. The general meeting devotes its agenda to the results of the annual activity of the company and is convened no later than four months after the end of the reporting-financial year.

91.1-3. An extraordinary general meeting of the company's participants is convened in the manner determined by *the law or* the charter. An extraordinary general meeting is convened on the initiative of the executive body, as well as at the request of the board of directors (supervisory board) or audit commission (inspector) or participants who have less than one-tenth of all votes, *as well as persons determined by law*. The extraordinary general meeting of the company in the process of liquidation is called by the liquidation commission. [\[90\]](#)

91.1-4. The general meeting is authorized if the participants holding more than fifty percent of the company's shares participate in the general meeting of the company's participants. [\[91\]](#)

91.1-5. If there is no quorum at the general meeting of the company's participants, the general meeting may be called by the executive body of the company in the manner specified in the company's charter, without changing the agenda of the general meeting. The reconvened general meeting is authorized if the participants holding more than fifty percent of the shares of the company are present. [\[92\]](#)

91.1-6. If there is no quorum at the reconvened meeting, the general meeting must be called again by the executive body of the company in the manner determined by the company's charter, without changing the agenda of the general meeting. The repeatedly convened general meeting is authorized if the participants holding more than fifty percent of the company's shares are present.

91.1-7. In a company consisting of one participant, decisions on issues related to the powers of the general meeting are taken by that participant alone and formalized in writing.

91.2. The powers of the company's management bodies, as well as the procedure for their formation and acting on behalf of the company, are determined in accordance with this Code and the company's charter.

91.3. The following are the exclusive powers of the general meeting of the participants of a limited liability company:

91.3.1. to change the charter of the company and the amount of its authorized capital;

91.3.2. to establish the executive bodies of the society and to terminate their powers before time;

91.3.3. to approve the company's annual reports and *financial statements*, to distribute its profits and losses; [\[93\]](#)

91.3.4. to make a decision on the reorganization or liquidation of the company;

91.3.5. to elect the company's board of directors (or supervisory board) and (or in the case of a company with a supervisory board) to elect the audit commission (inspector) and to terminate their powers before time; [\[94\]](#)

91.3.6. to make a decision on the conclusion of transactions provided for in Articles 49-1.2 and 87. of the Code. [\[95\]](#)

91.4. A limited liability company (*except for micro and small business entities*) must annually appoint an independent auditor to verify the accuracy of annual financial statements (external audit). The audit of the company's annual financial statements can be conducted at the request of any participant. In the case of an audit conducted at the request of a participant, the audit fee is paid by the participant.

ducting audits of the company's activities is determined by legislation and the company's [96]

91.5. Except for the cases stipulated by the legislation, it is not required to publish info (open report) by the society about the results of conducting the society's affairs.

Note: In Articles 91.1, 91-4.1, 107.3 and 107-12.1 of this Code, "publicly significant institution commercial organizations specified in Article 2.1.9 of the Law of the Republic of Azerbaijan "On Accu [97]

Article 91-1. Board of directors (supervisory board) of a limited liability company [98]

91-1.1. The board of directors (supervisory board) established under Article 91.1 of th supervises the activities of the executive body of the company in the period between general me the charter does not provide for the selection of the audit commission (appointment of the in the powers of the audit commission (inspector) may be assigned to the board of directors (sup board) in accordance with this Code.

91-1.2. The establishment and activity of the company's board of directors (supervisory b well as the procedure for terminating its powers, are determined by the charter.

91-1.3. The sole head of the company, the head (member) of the collegial executive b external manager cannot be a member of the board of directors (supervisory board).

91-1.4. *The chairman of the company's board of directors (supervisory board) convenes its meeting than once every three months and chairs the meetings. At the request of the company's inspection co (inspector), executive body, council members and other persons determined by the charter, the meeting of of directors (supervisory board) is convened by the chairman of the board. The meeting of the company's directors (supervisory board) is convened taking into account the requirements of the Law of the Re Azerbaijan "On the Central Bank of the Republic of Azerbaijan" in relation to the entities controll financial markets. The rules of holding the meeting of the council are determined by the charter of the soci*

91-1.5. *At the meeting of the company's board of directors (supervisory board), each member has and decisions are made by simple majority. If the number of votes is divided equally, the vote of the chairn council is considered decisive.*

91-1.6. *A protocol is drawn up that reflects the place, time, participants, agenda, summary of voting results and decisions of the meeting of the board of directors (supervisory board) of the comp protocol is signed by the chairman and members of the council. [100]*

Article 91-2. The executive body of the limited liability company

91-2.1. The activity of the executive body of the company and the procedure for making c by it are determined by the charter and internal documents of the company.

91-2.2. The collegial executive body of the company can consist only of natural persons.

91-2.3. The contract between the company and the sole head of the company is signed by th

91-2.4. If it is stipulated in the charter of the company, the powers of the executive body of the company may be transferred to other individuals or legal entities (external manager) on the basis of a contract. An agreement is concluded with the external administrator, which is approved at the meeting and signed by one of the participants who presides over the general meeting or is authorized by the general meeting on behalf of the company.

91-2.5. As an executive body, the external manager is responsible for the damage caused to the company and its parties as a result of his unsatisfactory performance of management in relation to the scope of his powers in accordance with the law.

Article 91-3. Inspection commission (inspector) of the limited liability company

91-3.1. In the case provided for in Article 91 of this Code, the inspection commission (inspector) is selected (appointed) by the decision of the general meeting of the society's participants.

91-3.2. The rules for the formation of the company's inspection commission (inspector), its composition and the order of its activity are determined by the company's charter.

91-3.3. Individuals are selected (appointed) as members of the company's inspection commission (as inspectors). Persons who are not members of the company are also allowed to be elected members of the inspection commission (appointed as inspectors). The head (member) of the company's board of directors (supervisory board) or collegial executive body, sole manager or external manager cannot be elected a member of the inspection commission (appointed inspector).

91-3.4. The company's inspection commission (inspector) has the right to check the financial and economic activity of the company and for this purpose to obtain all the documents relating to the company's activity. At the request of the inspection commission (inspector), the head (member) of the board of directors (supervisory board) or collegial executive body, sole manager, external manager or external administrator is obliged to provide the necessary information in oral or written form.

91-3.5. If the company has an inspection commission (inspector), without the opinion of this commission, the general meeting of the company's participants cannot approve the company's annual financial statements, as well as make a decision on the distribution of profits and losses.

Article 91-4. The audit committee of the limited liability company

91-4.1. In companies with more than fifty members, as well as in public institutions, an audit committee is established by the board of directors (supervisory board) for the preparation and implementation of the audit policy and strategy and organization of auditor control. An audit committee is also established in companies with less than fifty participants, as provided for in the society's charter.

91-4.2. The rules for the formation of the company's audit committee, its composition and the order of its activity are determined by the law and the company's charter.

91-4.3. Members of the executive body of the company and (or) participants of the company cannot be members of the audit committee. Members of the company's board of directors (supervisory board) can be members of the audit committee. [\[101\]](#)

91-4.4. The internal audit of the company's activity is carried out at the initiative of the company's board of directors (supervisory board) or collegial executive body, sole manager or external manager.

91-4.5. *At the request of the company's audit committee, all the company's bodies and officials must prepare and submit documents related to the company's financial and economic activities.*

91-4.6. *The audit committee is subordinate to the board of directors (supervisory board).* [\[102\]](#)

Article 92. Reorganization and liquidation of a limited liability company

92.1. A limited liability company can be voluntarily reorganized or dissolved by a unanimous decision of its participants. Other grounds for reorganization and liquidation of the company, and the procedure for its reorganization and liquidation, are determined by this Code.

92.2. A limited liability company can be converted into a joint-stock company.

Article 93. Transfer of the share in the authorized capital of the limited liability company

93.1. A participant of a limited liability company may sell his share in the authorized capital of the company or a part of it to one or more participants of that company or make a concession in any other manner.

93.2. Alienation of a company's share (a part of it) to third parties is allowed, ~~unless a separate procedure is provided in the company's charter.~~ [\[103\]](#)

93.3. The participants of the company have the preferential right to buy the participant's share (part of it) in proportion to the amount of their share, ~~provided that the charter of the company or the agreement of its participants does not provide for a separate procedure for the exercise of this right.~~ *When a participant of the company wants to alienate his share (part of it), he must first offer the purchase of the share (part of it) to other participants of the company.* If the participants of the company do not exercise their right of preference within one month from the day they were notified or in another period stipulated in the charter of the company or the agreement of its participants, the participant's share may be alienated to a third party. [\[104\]](#)

93.4. In accordance with the charter of the limited liability company, if the participant's share (part of it) cannot be alienated to third parties, and other participants of the company refuse to buy the share, the company is obliged to acquire the participant's share.

93.5. In the event that the limited liability company itself acquires the participant's share (part of it), the company is obliged to sell it to other participants or third parties within the terms and in the manner stipulated in its charter, or to reduce its authorized capital in accordance with Articles 90.4 and 90.5 of this Code.

93.6. Shares in the authorized capital of a limited liability company are transferred to the natural persons who are participants of the company and the legal heirs of legal entities, provided that the charter of the company does not provide for the transfer of shares to them only with the consent of the remaining participants of the company. Refusal to give consent to the transfer of the share causes the company to pay the real value of that share to the participant's heirs (legal heirs) or to give them property equal to that value in kind, in accordance with the rules and conditions stipulated in the company's charter.

93.7. *A person who wants to buy fifty percent or more of the company's shares shall formally s*

Article 94. Directing of withholding on the participant's share in the property of the liability company

94.1. Deduction from the participant's personal debts is allowed to be directed to his share in the property of the limited liability company only if it is not sufficient to pay the debts of his other property. Creditors of that participant may demand from the limited liability company to pay the value of the company's property corresponding to the debtor's share in the authorized capital or to this part of the property in order to direct the seizure. The separable part of the company's property and its value is determined on the balance sheet drawn up at the moment when the creditors demand.

94.2. Directing the seizure of the participant's entire share in the property of the limited liability company terminates his participation in the company.

Article 95. Withdrawal of a participant of a limited liability company from the company

A participant of a limited liability company can leave the company at any time, regardless of the consent of its other participants.

Article 96. Settlements when a participant of a limited liability company leaves the company

96.1. The part of the property corresponding to the share of the authorized capital of the participant is paid to the participant leaving the limited liability company, unless otherwise stipulated in the charter of the company. According to the agreement of the departing participant with the company, the payment of the value of the property can be replaced by giving the property in kind. The part of the company's property belonging to the outgoing participant or its value is determined on the basis of the balance sheet drawn up at the time of the participant's exit.

96.2. If the authorized capital of the limited liability company has been given the right to use property as a lease, the corresponding property is returned to the participant leaving the company. Depreciation of that property due to normal wear and tear is not compensated.

96.3. If the heir of a company participant or the legal successor of a legal entity that was a participant does not enter the company, settlements with him are carried out in accordance with the rules of this article.

Article 97. Additional liability company

97.1. A company founded by one or more persons, the charter capital of which is divided into a number of shares determined by the charter, is considered an additional liability company. Participants of such a society bear subsidiary liability for its obligations together with their property for the amount equal to the multiple of the value of their assets determined by the statute of the company. If one of the participants becomes bankrupt, his responsibility for the company's obligations is among the remaining participants in proportion to their assets, unless a separate rule for the distribution of responsibility is provided for in the company's charter.

97.3. The rules of this Code on the limited liability company are applied to the additional company, unless otherwise provided in this article.

Article 98. Joint stock company

98.1. A company whose charter capital is divided into a certain number of shares is considered a joint-stock company.

98.2. Only joint stock companies have the right to issue shares. The property of a joint stock company is created as a result of placement of its shares, financial and economic activity, as well as other sources not prohibited by law. [\[106\]](#)

98.3. A joint-stock company shall be established in accordance with this Code or, in accordance with this Code, taking into account the rules and restrictions established in the laws of the Republic of Azerbaijan "On Banks", "On Insurance Activities", "On Investment Funds" and "On Unions". A joint-stock company can be created through reorganization (merger, division, separation, transformation) of a legal entity. [\[107\]](#)

98.4. The participants of the joint-stock company (shareholders) are not responsible for the obligations and bear the risk for losses related to the company's activities to the extent of the value of their shares.

98.5. A joint-stock company can be created by one person (natural or legal entity) or it can be created by one person (natural or legal entity) in case all shares of the company are acquired by one shareholder. Information about this should be indicated in the charter of the society, recorded and published in a way everyone to be familiar with. The sole participant of a joint-stock company cannot be another legal entity or a company consisting of one person. [\[108\]](#)

98.6. The company name of the joint-stock company must include its name, as well as the words "open joint-stock company" or "closed joint-stock company".

98.7. The legal status of the joint-stock company and the rights and duties of shareholders are determined in accordance with this Code, "On Banks", "On Insurance Activities" and "On Investment Funds" laws of the Republic of Azerbaijan. [\[109\]](#)

98.8. When state enterprises are privatized, the features of creation of joint-stock companies are determined by the legislation on the privatization of those enterprises.

98.9. The creation of a joint stock company includes the holding of the founding meeting and the conclusion of the contract (as provided for in Article 45.2 of this Code) or the adoption of a decision on the creation of a joint stock company (when the joint stock company is created by one person) and the distribution of shares among the founders, and the preparation (adoption) of the charter. [\[110\]](#)

98.10. During the establishment of the joint stock company, the founding meeting is held during the period stipulated in the agreement concluded between the founders, when all the shares of the joint stock company are distributed among the founders. The founding meeting is authorized (quorum) when all the founders or their representatives are present. If there is no quorum, the meeting is held again. If the quorum is not present at the repeatedly held founding meeting, the establishment of the joint stock company is not possible.

98.11. Constituent meeting held during the creation of the joint-stock company:

98.11.1. approves the value of non-monetary property directed to the payment of share during the creation of a joint-stock company;

98.11.2. adopts the decision on the establishment of the joint stock company and app: charter;

98.11.3. *accordingly, this Code, "On Banks", "On Insurance Activities", "On Investment constitutes the management, control and executive bodies of the joint-stock company provide laws of the Republic of Azerbaijan and the charter of the joint-stock company;* [\[111\]](#)

98.11.4. solves other issues related to the creation of a joint-stock company and the sta company's activities that do not contradict this Code, other legislative acts and the agreement cc between the founders.

98.12. At the founding meeting of the joint-stock company, decisions on the establishme company, approval of the charter, approval of the value of non-monetary property allocate payment of shares placed during the creation of the joint-stock company, formation of mana control and executive bodies are adopted by the founders unanimously, and on other issues by majority vote. .

98.13. During the establishment of a joint-stock company, the issuance of shares a registration are carried out *in accordance with this Code, "On Banks", "On Investment Funds" Securities Market" laws of the Republic of Azerbaijan .* [\[112\]](#)

98.14. The founders of the company are jointly responsible for the obligations arising in co with the creation of the joint-stock company and before its state registration.

98.15. *Regarding the issues mentioned in Articles 98.4, 98.5 and 98.11.1 of this Code, in relation insurers and persons licensed in the securities market, the laws of the Republic of Azerbaijan "On Ban Insurance Activity" and "On the Securities Market" provisions, and the provisions of the Law of the R Azerbaijan "On Investment Funds" are applied in relation to the issues mentioned in Articles 98.5 and* [\[113\]](#)

Article 99. Open joint-stock company

99.1. If the participants of a joint-stock company can alienate their shares without the cc other shareholders, it is considered an open joint-stock company. Such a joint-stock company c out open subscription to the issued shares and their free sale.

99.2. *An open joint-stock company is obliged to publish its annual report and financial statements (i micro and small business entities) , as well as the following information for everyone to be familiar with:* [\[](#)

99.2.1. *financial indicators for the reporting period;*

99.2.2. *transactions concluded with relevant persons and of special importance;*

99.2.3. *attracted financial resources;*

99.2.4. *management bodies and officials, their main and additional workplaces;*

99.2.5. *management structure;*

99.2.6. *development policy;*

99.2.9. *volume and source of investments;*

99.2.10. *turnover and profitability of the company's securities;*

99.2.11. *public projects.* [\[116\]](#)

99.3. A transaction that exceeds twenty-five percent of the value of the net assets of an open stock company is considered a particularly significant transaction. The decision to conclude a particularly important contract is made at the general meeting of shareholders of the joint-stock company, and information about it is disclosed. The procedure for disclosing this information is stipulated in the charter of the joint-stock company. *The requirements of this article do not apply to the local branches of foreign banks.* [\[117\]](#)

~~99.4. Any deal, agreement or set of related deals concluded between a person belonging to a joint-stock company and that company is considered a deal with a related person. Except for those provided by the legislation, the list of relevant persons, the rules for concluding contracts between the company and the society and disclosing information about such contracts are determined by the executive authority.~~ [\[118\]](#)

Article 100. Closed joint-stock company

100.1. A joint-stock company whose shares are distributed only among its founders or among predetermined persons is a closed joint-stock company. Such a company may not subscribe to shares it issues or otherwise offer them to an unlimited number of persons for acquisition.

100.2. The number of participants of a closed joint-stock company must not exceed that determined by the relevant executive authority, otherwise it must be transformed into an open stock company within one year, and after the expiration of this period, if their number is reduced below the limit determined by the relevant executive authority, it must be liquidated by court order.

100.3. The closed joint stock company is obliged to publish the documents specified in Article 100 of this Code for everyone to familiarize themselves with.

Article 101. Transfer of shares of a closed joint-stock company to another person

101.1. Shareholders of a closed joint-stock company have preferential rights to acquire shares by other shareholders of that company. If none of the shareholders exercise their right of purchase within the period stipulated in the company's charter, but within thirty days from the date of announcement of the sale, within the next thirty days, the joint-stock company may acquire those shares at a price agreed upon with their owner. Shares may be alienated to a third party if the joint-stock company refuses to acquire the shares or if no agreement is reached on their price. In this case, the price of the share should not be lower than the price offered to the shareholders or the joint-stock company. Otherwise, the joint-stock company may demand that the agreement be considered null and the share be sold to the company at that price. [\[119\]](#)

101.2. The rules of Article 101.1 of this Code shall be applied accordingly when the shares of a closed joint stock company are pledged and subsequently seized by the pledgee.

l entity. The rules of Article 101.1 of this Code shall be applied when the company refuse consent to the transfer of shares to the heirs of a natural person who is a shareholder or to the le of a legal entity.

Article 102. Charter of the joint stock company

102.1. In addition to the information specified in Article 47.2 of this Code in the charter of t stock company, about the categories of shares issued by the company, their nominal value and c about the amount of the authorized capital of the company; about the rights of sharehol composition and powers of the society's governing bodies, the conditions for their decision- including the procedure for decision-making on matters on which decisions are made by unani conditioned majority vote, must be specified. [\[120\]](#)

102.2. The charter of the joint-stock company may include other information that c contradict the law.

102.3. Compliance with the requirements of the charter of the joint-stock company is mand all bodies, officials and shareholders of the company.

102.4. The joint-stock company must provide its shareholders with the opportunity acquainted with the charter, additions and changes made to it. At the request of the shareholde of the charter must be given to him.

102.5. *With the exception of the cases provided for in the Law of the Republic of Azerbaijan "On Ba* decision to make additions and changes to the company's charter is adopted at the general m shareholders by a two-thirds majority of shareholders who have the right to vote. [\[121\]](#)

Article 103. The authorized capital of the joint-stock company

103.1. The authorized capital of the joint-stock company consists of the nominal valu company's shares acquired by the shareholders. The forms of investments in the authorized c the joint-stock company are determined by this Code, sectoral laws and the agreement betw founders, *respectively* . Contributions to the charter of a joint-stock company can be cash, fu securities, other property, including property rights and other rights with monetary value. Du establishment of the joint-stock company, the value of non-monetary property is determine decision of the founding meeting, and after the establishment of the joint-stock company decision of the general meeting of shareholders of the joint-stock company. [\[122\]](#)

103.2. The company's authorized capital determines the minimum amount of the co property that guarantees the interests of the company's creditors. It cannot be less than the determined by the relevant executive authority *and the Central Bank of the Republic of Azerbaijan in provided for by the laws regulating financial markets* . [\[123\]](#)

103.3. The founders of the joint-stock company are obliged to fully pay the charter capital company is registered. When establishing a joint-stock company, all its shares must be divide the founders

103.4-1. *With a two-thirds majority of the shareholders of a joint-stock company having the right persons who have monetary claims against that company may be released from the obligation to pay the company's shares by substituting their monetary claims and becoming a shareholder of the company (acquiring additional issued shares). Such an initiative can be taken by individuals and (or) society who have monetary claims against the company. The acquisition of additional issued shares by offsetting the money claim against the company is a closed placement method. Substitution of monetary claims of persons with monetary claims against the company controlled in the financial markets with a share in the authorized capital of those entities is carried out taking into account the requirements for obtaining a significant participation share in the laws regulating the financial markets.* [\[125\]](#)

103.5. *If the value of the company's net assets is less than the authorized capital at the end of the first and every subsequent financial year, the company is obliged to announce and register the reduction of its authorized capital in the prescribed manner. Except for the cases provided by the laws, if the value of the specified assets of the company is less than the minimum amount of authorized capital determined by the relevant executive power body, the company must be liquidated.* [\[126\]](#)

103.6. *Limitation of the number of shares, the total nominal value or the maximum number of shares belonging to one shareholder may be defined in the company's charter.*

Article 104. Increasing the authorized capital of a joint-stock company

104.1. *According to the decision of the general meeting of shareholders, a joint-stock company may increase its authorized capital by increasing the nominal value of shares or issuing additional shares. When persons with monetary claims against the company take the initiative to acquire shares by offsetting their monetary claims, the persons who will acquire those shares must be specified in the decision on the issuance of additional shares. The rules for increasing the nominal value of shares of a joint-stock company and issuing additional shares are determined by the Central Bank of the Republic of Azerbaijan.* [\[127\]](#)

104.1-1. *Except for the cases where there are provisions in the laws regulating the financial markets regarding compensation of monetary claims by the company with additional issued shares, if the unpaid loss of the company as a result of its economic activity exceeds its authorized capital, the difference between the amount of unpaid loss and the amount of debt that is intended to be compensated with additional issued shares shall be covered by the company when it is eliminated, compensation of monetary claims against the company is not required. When determining the unpaid loss as a result of the company's economic activity, the costs incurred for the amortization allocations to fixed assets are not taken into account.* [\[128\]](#)

104.2. *Shareholders owning simple (ordinary) or other voting shares have a preferential right to acquire additional shares issued by the company in the manner specified in the company's charter. A person who acquires fifty percent or more of the company's shares shall formally submit an appropriate offer to all shareholders.* [\[129\]](#)

Article 105. Reduction of the authorized capital of the joint-stock company

reducing their total amount.

105.2. Within fifteen calendar days from the date of adoption of the decision of the general meeting of shareholders on the reduction of the authorized capital of the joint-stock company, the company must inform the creditors about this in writing. Creditors of the company may demand early performance or termination of the respective obligations of the company and compensation of the losses incurred within thirty calendar days after receiving the information. [\[130\]](#)

105.3. It is allowed to reduce the authorized capital of a joint-stock company through the redemption and payment of a part of the shares, provided that such possibility is provided for in the company's charter.

105.4. *Except for the cases provided by the sectoral laws*, the reduction of the authorized capital of a joint-stock company below the minimum amount determined by the relevant executive power leads to the liquidation of the company. [\[131\]](#)

Article 105-1. Redemption of placed shares of a joint-stock company [\[132\]](#)

105-1.1. Redemption of the shares placed by the joint-stock company is carried out at the request of the shareholders in the cases determined by this Code or the company's charter.

105-1.2. In order to reduce the amount of authorized capital and the number of shares, the company may buy back a part of its previously placed shares based on the decision of the general meeting. At the same time, the total nominal value of the shares remaining in circulation should not be lower than the minimum limit of the amount determined by the legislation for the authorized capital.

105-1.3. Redemption of shares is carried out with the consent of the owners of shares, with the exception of the case when the redemption of shares is carried out through the stock exchange. The price is determined at the general meeting. [\[133\]](#)

105-1.4. The decision to buy back the shares of the company cannot be accepted in the following cases:

105-1.4.1. when the authorized capital of the company is not fully formed;

105-1.4.2. when a decision is made to liquidate the company;

105-1.4.3. if the redemption of their shares is not completed at the request of the shareholders;

105-1.5. Redeemed shares are not counted during voting and dividends are not calculated on them. These shares *must be alienated* within one year from the date of their repurchase, or removed from circulation by the decision of the general meeting. [\[134\]](#)

Article 106. Issuance of securities of a joint-stock company [\[135\]](#)

106.1. Issuance, placement, circulation and *withdrawal* of shares, bonds and other types of securities of a joint-stock company are carried out in accordance with this Code, other normative legal acts adopted in accordance with this Code, and the company's charter. [\[136\]](#)

ive the property remaining after the liquidation of the joint-stock company and other stipulated in the terms of issuance of such shares. Preference shares do not give their *owners* the participate in the management of the company's affairs, with the exception of the cases provided in this Code and the charter of the joint-stock company . [\[137\]](#)

106.3. Consolidation, fragmentation (division) and conversion of the securities of the joint-stock company are carried out in accordance with Article 1078-26 of this Code.

Article 106-1. Shareholders of a joint-stock company [\[138\]](#)

106-1.1. A shareholder of a joint-stock company is a natural and (or) legal person who owns more shares of the company in accordance with the procedure established by this Code.

106-1.2. If several persons own a share, they are recognized as one shareholder in relation to the joint stock company and can exercise their rights through a representative.

106-1.3. *The owner of an ordinary share of a joint-stock company has the following rights in accordance with the legislation:* [\[139\]](#)

106-1.3.1. to participate in the management of the company in the manner determined by this Code and other legislation and the charter of the company, to elect and be elected to its management and control bodies;

106-1.3.2. to receive information on the activity of the society, to get acquainted with its annual report and *financial statements* once a year, in accordance with the law ; [\[140\]](#)

106-1.3.3. to demand the convening of a general meeting of the company's shareholders;

106-1.3.4. to demand changes in the agenda of the general meeting of shareholders of the company and addition of new discussion topics to the agenda ; [\[141\]](#)

106-1.3.5. to participate in the general meeting of the company's shareholders with the right to vote (except for the cases stipulated in Articles 49-1.2 and 49-1.3 of this Code) and to request a copy of its minutes ; [\[142\]](#)

106-1.3.6. to request an audit of the company's activity by an audit commission or an auditor;

106-1.3.7. receive dividends from the company's net profit;

106-1.3.8. to receive a certain part of the company's remaining property after the company's activities are terminated, after the demands of the company's creditors are fulfilled, after the company's debts and unpaid dividends, as well as the liquidation value of the preferred shares are paid;

106-1.3.8-1. to demand that the members of the executive body and the board of directors (supervisors) be held accountable for their negligence and intentional damage to the joint-stock company;

106-1.3.8-2. participate in the process of selling the company's shares;

106-1.3.8-3. apply to the court or other competent institution for the compensation of the damage to the society or the shareholders as a result of the concluded transaction and related costs;

106-1.3.8-4. to get acquainted with the annexes of contracts to be concluded (contracts with relevant and special important contracts). [\[143\]](#)

106-1.5. In the charter of the joint-stock company, *the owner of the preferred stock gets the* [\[144\]](#) vote in the adoption of decisions on the following issues : _____

106-1.5.1. reorganization of the joint stock company;

106-1.5.2. liquidation of the joint stock company;

106-1.5.3. making changes and additions to the articles of association that limit the rights to of preferred stock owned by the shareholder.

106-1.6. The duties of a shareholder of a joint-stock company are as follows:

106-1.6.1. not to disclose to third parties information considered commercial secret or con according to the law and (or) regulation;

106-1.6.2. to give a written notification *to the central depository* within ten calendar days a change of information entered in the shareholders' register ; [\[145\]](#)

106-1.6.3. perform other duties established by legislation.

106-1.7. The protection of the rights of the shareholders of the joint-stock company is en accordance with this Code, other laws and normative legal acts.

Article 106-2. Register of shareholders of the joint-stock company

106-2.1. The joint-stock company must ensure that the register of its shareholders is maint later than thirty calendar days after the date of its state registration.

106-2.2. *The register of shareholders of a joint-stock company shall be kept by the central depository.*

106-2.3. Once a year, a shareholder can request the company's executive body to submit the of shareholders to him. In this case, the executive body of the joint-stock company must su register of shareholders to that shareholder within five days.

Article 106-3. Profits and dividends of the joint-stock company

106-3.1. The net profit of a joint-stock company is generated after paying taxes ar mandatory payments and can be directed to the purposes determined by legislation and the co charter. The distribution of net profit for the financial year of the joint-stock company is adopte decision of the general meeting of shareholders of the joint-stock company.

106-3.2. The joint-stock company may pay interim (quarterly, half-yearly) and annual divid the outstanding shares, depending on what is defined in the charter. The obligations of the jo company to pay dividends arise from the day of the decision on their payment *and are executed i (thirty) days . The change in the composition of shareholders does not affect the execution of the decisio* [\[147\]](#) *payment of dividends within the period and in the manner specified by this Code.* _____

106-3.3. A dividend per ordinary share is the part of the net profit of a joint-stock c distributed to shareholders in the form of payments calculated for each ordinary share.

106-3.4. A dividend on a preferred share is a means paid *to the owners of preferred shares , i in the form of a fixed percentage of the nominal value of the share, regardless of the resu economic activity of the joint stock company. In order to ensure the payment of these funds t*

106-3.5. The decision on dividends and the order of their payment (if this issue is not defined in the charter) is adopted by the general meeting at the proposal of the company's board of directors (supervisory board) or, if those bodies are not formed, by the company's executive body.

106-3.6. The joint-stock company performs the calculation (distribution) of dividends on shares after the calculation (distribution) of dividends on all types of preferred shares.

106-3.7. In the calculation (distribution) of dividends, dividends on preferred shares, which have the right of first priority, are distributed before dividends on other preferred shares.

106-3.8. When calculating dividends, the amount per share must be the same for each denomination of shares.

106-3.9. If the value of the net assets of the joint-stock company is less than the amount of authorized capital or will be less as a result of the payment of dividends, the joint-stock company must declare and pay dividends.

Article 107. Management in a joint-stock company

107.1. The supreme governing body of a joint-stock company is the general meeting of shareholders. The exclusive authority of the general meeting of shareholders includes the following:

107.1.1. to change the charter of the company and the amount of the charter capital;

107.1.2. to elect members of the company's board of directors (supervisory board) and in public institutions a commission (inspector) and to terminate their powers before time;

107.1.3. to establish the executive bodies of the company and to terminate their powers before time, provided that the resolution of these issues in the company's charter is not attributed to the authority of the board of directors (supervisory board);

107.1.4. to approve the company's annual reports, *financial statements*, and distribute profits and dividends. [\[149\]](#)

107.1.5. to make a decision on the reorganization or liquidation of the company;

107.1.6. to make a decision on the conclusion of transactions provided for in Articles 49-1.2 and 99 of the Civil Code. [\[150\]](#)

107.2. Issues assigned to the exclusive authority of the general meeting of shareholders by the charter cannot be referred to the executive bodies of the company for resolution.

107.3. A board of directors (supervisory board) is created in a society with more than 50 shareholders, as well as in public institutions. If the board of directors (supervisory board) is established, its exclusive authority should be defined in the company's charter. Issues assigned to the exclusive authority of the board of directors (supervisory board) by the charter cannot be referred by the charter to the executive bodies of the company for resolution. [\[151\]](#)

107.4. The executive body of the company can be collegial (board, management) or single (director, general director). He carries out current management of the company's activities, reports to the board of directors (supervisory board) and the general meeting of shareholders. The resolution of issues not assigned to the exclusive authority of other management bodies of the company by the charter or by the company's charter belongs to the authority of the executive body of the company.

pany may be transferred to another commercial organization or individual entrepreneur (n based on the contract. [\[152\]](#)

107.5. The powers of the management bodies of the joint-stock company, as well as the p for them to make decisions and act on behalf of the company , *are determined in accordance with t the laws of the Republic of Azerbaijan "On Banks", "On Insurance Activities", "On Investment Funds'* company's charter. [\[153\]](#)

107.6. During the publication of the documents specified in Article 99 of this Code, the jo company is obliged to engage an *independent* auditor to verify the annual financial *statements* request of shareholders with a total share of ten percent or more in the charter capital, an auc activities of the joint-stock company shall be conducted every time. The procedure for aud activity of a joint-stock company is determined by legislation and the company's charter. [\[154\]](#)

Article 107-1. Convocation of the general meeting of shareholders [\[155\]](#)

107-1.1. The general meeting of shareholders can be regular or extraordinary.

107-1.2. The next general meeting of shareholders must be convened no less than onc (annual general meeting).

107-1.3. *Except for the cases stipulated in the Law of the Republic of Azerbaijan "On Banks",* th general meeting of shareholders is convened by the board of directors (supervisory board) no li six months after the end of the financial year, and the shareholders are informed about it. If the c does not have a board of directors (supervisory board), the general meeting of shareholders is c the executive body of the company. [\[156\]](#)

107-1.4. Forty-five days before the convening of the general meeting of shareholders, *the me* inform about the convening of the meeting (with the exception of cases of convening the general of shareholders of a closed joint-stock company), as well as a written notification must be shareholders or nominal holders. The nominee custodian must ensure that such notice is deliver shareholder. [\[157\]](#)

107-1.5. The following must be specified in the notice of convening the general me shareholders:

107-1.5.1. name and location of the society;

107-1.5.2. date, time and address of the general meeting of shareholders;

107-1.5.3. the agenda of the general meeting of shareholders;

107-1.5.4. the procedure for getting acquainted with materials on the agenda of the general of shareholders.

107-1.6. *Except for the cases stipulated by law ,* an extraordinary general meeting of shareh called by the executive body of the company at the initiative of the board of directors (sup board) or at the written request of the audit commission (inspector) or shareholders who l percent of the voting shares. In the absence of the company's board of directors (supervisory b

ting.

107-1.8. From the day of receipt of the request (initiative) on convening an extraordinary meeting of shareholders, the executive body must perform the following:

107-1.8.1. determine the time and place of the general meeting of shareholders with working days, and announce it *in the media* , *except for the cases of convening the general meeting of shareholders of a closed joint-stock company*;

107-1.8.2. must send notices of convening a general meeting of shareholders to shareholders five working days;

107-1.8.3. must ensure that the general meeting of shareholders is held no earlier than this and no later than forty-five days.

Article 107-2. Quorum at the general meeting of shareholders

107-2.1. The general meeting is authorized if *the owners of at least sixty percent of the voting shares* participate in the general meeting of shareholders. [\[159\]](#)

107-2.2. If the general meeting of shareholders does not have a quorum, the general meeting must be called again in the manner specified in Article 107-1.8 of this Code , *except for the cases provided for in the Law of the Republic of Azerbaijan on Banks* . At this time, the agenda of the general meeting shall not be changed. The reconvened general meeting is authorized if *the owners of 40 percent of the voting shares* are present. [\[160\]](#)

107-2.3. If there is no quorum at the reconvened meeting, the general meeting shall be called again in accordance with the procedure specified in Article 107-1.8 of this Code, without changing the agenda, *except for the cases provided for in the Law of the Republic of Azerbaijan on Banks* . The reconvened general meeting is authorized if *the owners of 25 percent of the voting shares* are present.

107-2.4. If a quorum is not provided for holding a general meeting called again according to Article 107-2.3, the company may be dissolved by the decision of the general meeting without depending on the quorum by informing *the Central Bank of the Republic of Azerbaijan* or by the decision of the court on the claim of *the Central Bank of the Republic of Azerbaijan* . Shareholders have the right to appeal the decision of the general meeting on the liquidation of the company to the court. [\[162\]](#)

Article 107-3. The procedure for shareholder participation in the general meeting

107-3.1. The shareholder exercises the right to participate in the general meeting directly by himself or through his representative. In this case, the representative of the shareholder must have a power of attorney drawn up in accordance with the law.

107-3.2. If it is stipulated in the company's charter, a shareholder can participate in absentia by means of a written document by clearly and unconditionally stating his attitude to the issues on the agenda of the general meeting (for, against, neutral), his signature being approved in accordance with the procedure established by the legislation (notary, etc.).

107-3.3. Absentee voting regulations are determined by the company's charter.

107-3.5. Voting at the general meeting of shareholders is carried out on the basis of the "share with one vote is one vote".

Article 107-4. Accounting commission

107-4.1. In order to determine the results of voting at general meetings of companies with more than one hundred shareholders, a counting commission of not less than three members shall be established. The members of the board of directors (supervisory board), members of the audit commission (inspector), members of executive bodies (sole executive body) and candidates for those positions (positions) should not be included in the accounting commission.

107-4.2. The procedure for establishing the accounting commission is determined by the company's charter.

107-4.3. The protocol of the accounting commission is attached to the protocol of the general meeting.

Article 107-5. Decision of the general meeting of shareholders

107-5.1. The decision of the general meeting of shareholders is adopted by a simple majority of the shareholders participating in the general meeting, taking into account the provisions of Article 107-3 of this Code, unless otherwise provided by this Code and the company's charter. Decisions on reorganization, liquidation, additions and changes to the charter of the company are made by a two-thirds majority of the shareholders who have the right to vote at the general meeting of shareholders, [\[163\]](#) *except for the rule stipulated in the Law of the Republic of Azerbaijan "On Banks"*.

107-5.2. It cannot make decisions on matters not included in the agenda of the general meeting of shareholders.

107-5.3. Decisions adopted by the general meeting of shareholders must be announced to the shareholders no later than fifteen calendar days.

107-5.4. The shareholder can appeal to the court against the decision of the general meeting of shareholders.

Article 107-6. Minutes of the general meeting of shareholders

107-6.1. Minutes of the general meeting of shareholders are drawn up in two copies no later than three working days after the end of the meeting, signed and sealed by the chairman and the secretary.

107-6.2. The protocol of the general meeting of shareholders shows the following:

107-6.2.1. time and place of general meeting;

107-6.2.2 agenda of the general meeting;

107-6.2.3. the number of voting shares of the participants of the general meeting;

107-6.2.4. the number of participating voting shareholders;

107-6.2.5. summary of speeches;

107-6.2.6. the results of voting on each issue put to the vote;

Article 107-7. The board of directors (supervisory board) of the joint-stock company

107-7.1. The board of directors (supervisory board) of the company is established in provided by Article 107.3 of this Code. The company's board of directors (supervisory board) ca general management and control over the company's activities within the limits of its powers.

107-7.2. The number of members of the company's board of directors (supervisory bo requirements for them are determined by the company's charter. *The number and requiremen members of the company's board of directors (supervisory board) may also be determined by law.* [\[164\]](#)

107-7.3. When the composition of the company's board of directors (supervisory board) is to half of the number stipulated in the charter, an extraordinary general meeting of the compa be called within thirty calendar days, and new members of the board of directors (supervisor must be elected.

107-7.4. The members of the company's board of directors (supervisory board) are electe general meeting for a period of no more than three years in accordance with this Code company's charter.

107-7.5. A member of the company's board of directors (supervisory board) must be a person. A person who is not a shareholder of the company can also be elected to the membersh board of directors (supervisory board), unless otherwise stipulated in the charter. Member company's executive bodies (sole executive body) cannot be elected members of the board of (supervisory board).

107-7.6. Premature termination of the authority of the company's board of directors (sup board) or its member may be carried out by the decision of the general meeting.

Article 107-8. Chairman of the board of directors (supervisory board) of the joint-stock cc

The chairman of the board of directors (supervisory board) of the joint-stock company is el the general meeting of shareholders from among the members of the board of directors (sup board). The chairman of the board of directors (supervisory board) heads the board.

Article 107-9. Meeting of the board of directors (supervisory board) of the joint-stock con

107-9.1. The chairman of the board of directors (supervisory board) of the joint-stock c convenes its meetings no less than once every three months and presides over the meetings. The of the board of directors (supervisory board) is convened by the chairman of the board at the re the company's inspection commission (inspector), executive body, board members , *as well persons determined by law and charter. The rules of holding the meeting of the council are det by the charter of the society.* [\[165\]](#)

107-9.2. At the meeting of the board of directors (supervisory board) of the joint-stock c decisions are made by a simple majority, with each member having one vote. If the number of divided equally, the vote of the chairman of the council is considered decisive for the accep rejection of the decision

ing results and decisions. That protocol is signed by the chairman of the council.

Article 107-10. The executive body of the joint-stock company

107-10.1. Members of the board of directors (supervisory board) cannot be elected to the executive body of the company.

107-10.2. The powers of the executive body of the company include all issues not assigned as the exclusive powers of the management bodies of the company *by this Code, "On Banks", "On Insurance Activities", "On Investment Funds" laws of the Republic of Azerbaijan* and the charter. [\[166\]](#)

107-10.3. The number and composition of the members of the collegial executive body of the company, as well as the rules of its activity, are determined by the company's charter, "On Banks" and "On Insurance Activity" laws of the Republic of Azerbaijan, respectively. [\[167\]](#)

107-10.4. It is allowed for the members of the executive body of the company to hold positions in other organizations at the same time, if it does not contradict the legislation, with the consent of the general meeting of the company or the board of directors (supervisory board).

107-10.5. *In the cases that may lead to conflicts between the personal interest of the members of the executive body of the company and the interests of the company, as well as in the cases provided for in Article 49-1 of this Code, the head or other members of the executive body of the company shall provide relevant information to the board of directors (supervisory board) of the company, or, in its absence, to the general meeting of the company. They must submit to the meeting in writing. The conclusion of contracts that are against the interests of the company can be carried out on the basis of the decision of the relevant management body, unless a separate provision is provided by this Code, "On Banks" and "On Insurance Activity" laws of the Republic of Azerbaijan.* [\[168\]](#)

107-10.6. A member of the company's executive body or board of directors (supervisory board) must disclose this information to the media before concluding a transaction with securities owned by the company.

107-10.7. A member of the executive body of a joint-stock company who owns twenty percent of the company's shares cannot be elected.

Article 107-11. Inspection commission (inspector) of the joint-stock company

107-11.1. In companies with more than fifty shareholders, an inspection commission (inspector) is elected (appointed) at the general meeting to control the financial and economic activity. In companies with less than fifty shareholders, an inspection commission (inspector) can be elected (appointed) at the general meeting.

107-11.2. The rules for the formation of the company's inspection commission (inspector), its composition and the order of its activity are determined by the company's charter.

107-11.3. Individuals are elected to the membership of the company's inspection commission (inspector). A member of the inspection commission (inspector) cannot be a shareholder of the company, a member of the board of directors (supervisory board) and executive bodies of the company.

107-11.4. The term of office of the members of the company's inspection commission (inspector) is determined by the company's charter.

directors (supervisory board), or at the request of the shareholders who own more than ten percent of the voting shares of the company and the executive body of the company.

107-11.6. At the request of the inspection commission (inspector) of the society, all the board members and other officials of the society must submit the documents related to the financial and economic activities of the society.

107-11.7. *The requirements of this article do not apply to insurers, banks and local branches of foreign banks.* [\[169\]](#)

Article 107-12. Audit committee of the joint-stock company

107-12.1. *In companies with more than fifty shareholders, as well as publicly important institutions, an audit committee is established by the board of directors (supervisory board) for the preparation and implementation of internal audit policy and strategy and organization of auditor control. An audit committee is also established in companies with less than fifty shareholders, as provided for in the company's charter.*

107-12.2. *The rules for the formation of the company's audit committee, its composition and the order of its activities are determined by the law and the company's charter.*

107-12.3. *Members of the executive body of the company and (or) participants of the company and other members of the audit committee. Members of the company's board of directors (supervisory board) can be members of the audit committee.* [\[170\]](#)

107-12.4. *The internal audit of the company's activity is carried out at the initiative of the company's audit committee, by the decision of the general meeting or the board of directors (supervisory board), or at the request of the shareholders who own more than ten percent of the company's voting shares and the company's executive body.*

107-12.5. *At the request of the company's audit committee, all the company's bodies and officials must submit documents related to the company's financial and economic activities.*

107-12.6. *The audit committee is subordinate to the company's board of directors (supervisory board).*

Article 108. Reorganization and liquidation of the joint-stock company

108.1. A joint-stock company can be voluntarily reorganized or liquidated by the decision of the general meeting of shareholders. Other grounds and order of reorganization and liquidation of a joint-stock company are determined by this Code, "On Banks", "On Insurance Activity" and "On Investment Funds" laws of the Republic of Azerbaijan, respectively. [\[172\]](#)

108.2. *With the exception of the cases stipulated in the laws of the Republic of Azerbaijan "On banking activities", "On securities market", "On non-bank credit organizations", "On investment funds", "On credit bureaus", a limited liability company can become a society.* [\[173\]](#)

Article 109. Basic provisions on cooperatives [\[174\]](#)

109.2. A cooperative member who meets the requirements of this Code and has membership fee, absolute and additional share fee in the manner and in the amount specified in the charter of the cooperative, and has been accepted into the cooperative, participates in its activities and has the right to vote (*Articles 49-1.2 and 49-1.3 of this Code except for specified cases*) is a natural legal entity. [\[175\]](#)

109.3. A joint (associate) member of a cooperative is an individual who meets the requirements of this Code and who has paid the membership fee and only the absolute share fee in the manner and in the amount specified in the charter of the cooperative, and who has been accepted into the cooperative, does not have the right to participate in its activities and vote, except for the cases provided for in this Code, and (or) is a legal entity.

109.4. The property share fee of a cooperative member is a share fee consisting of movable and immovable property, as well as property rights valued in money, paid by the members in the manner and in the amount determined by the charter. Property share fee is absolute and may be additional.

109.5. An absolute property share fee is a property share paid by the member in the manner specified in the charter, giving the right to participate in the activities of the cooperative, to vote and to receive cooperative payments.

109.6. Additional property share fee is a share paid by the member at his own will, in addition to the share fee specified in Article 109.5 of this Code, and gives the right to receive dividends (additional cooperative payments) in addition to cooperative payments (main cooperative payments).

109.7. The membership fee is the amount of money given to the participant to cover the expenses when he joins the cooperative membership. A cooperative member has the right to receive cooperative payments (main cooperative payments) and dividends (additional cooperative payments).

109.8. Cooperative payments (main cooperative payments) are a part of cooperative profit distributed to members in proportion to their absolute property share, personal labor and other activities performed for the cooperative.

109.9. Dividend (additional cooperative payments) is a part of the cooperative profit paid to the voting members in proportion to their additional property share fees and the absolute property share fees of the joint (associate) members of the cooperative.

109.10. In addition to the information specified in Article 47.2 of this Code in the charter of the cooperative, about the amount of share fees of cooperative members; about the procedure for payment of share fees and the responsibility of cooperative members for violating the obligation to pay share fees; about the composition and authority of the management bodies of the cooperative, their powers and decision-making, including the procedure for making decisions on issues on which decisions are made unanimously or by conditional majority; the terms and conditions of the procedure for compensation of damage suffered by the cooperative, the rules for drawing up documents (regulating admission to the cooperative, list of members and acceptance of share fees, drawing up protocols of the general assembly of cooperative members and other management bodies, etc.) should be indicated.

109.11. A cooperative can carry out entrepreneurial activities in any field not prohibited by law in accordance with the legislation. According to the nature of activity, cooperatives can be of production, consumption, mixed (production-consumption) and other types.

109.12. The cooperative can conclude contracts with its members to sell the products produced

economic, financial, organizational (formation of management bodies) and other activities of cooperatives, except for the cases stipulated by the legislation of the Republic of Azerbaijan.

109.14. Operational and accounting, statistical reporting of financial and economic activities of a cooperative is carried out in accordance with the legislation of the Republic of Azerbaijan.

109.15. The cooperative has the right to hire employees to carry out its activities. The labor relations of the cooperative with such employees are regulated by the labor legislation of the Republic of Azerbaijan.

109.16. The labor relations of the cooperative with its members who participate in its activities by applying their personal labor are regulated by the labor legislation of the Republic of Azerbaijan, the Code and the charter of the cooperative.

109.17. The name of the cooperative must include the main purpose of its activity, as well as the word "cooperative".

109.18. *The organization and activity of agricultural cooperatives are regulated by this Code and the legislation of the Republic of Azerbaijan "On Agricultural Cooperatives".* [\[176\]](#)

Article 109-1. Creation of a cooperative [\[177\]](#)

109-1.1. A cooperative is created by not less than five individuals and (or) legal entities. [KM](#)

109-1.2. In order to create a cooperative, individuals and (or) legal entities create an initiative group. Tasks of the initiative group include:

109-1.2.1. justifying the intended activity of the cooperative by specifying the size of the share and its sources of formation;

109-1.2.2. preparation of the charter draft of the cooperative;

109-1.2.3. accepting applications from individuals and (or) legal entities to join the cooperative;

109-1.2.4. preparation and holding of the founding meeting of the cooperative.

109-1.3. The founding meeting of the cooperative makes a decision on the establishment of the cooperative and its membership; approves the charter of the cooperative; forms the management of the cooperative taking into account the provisions of Article 111 of this Code.

109-1.4. The members of the cooperative conclude a founding agreement among themselves in accordance with Article 45.2 of this Code.

109-1.5. The decision of the founding meeting of the cooperative is formalized with the protocol.

Article 109-2. Members of the cooperative

109-2.1. Individuals and (or) legal entities who have reached the age of 16 and who have signed the charter of the cooperative and paid the membership fee and property share fee in the maximum amount determined by the charter may become members of the cooperative.

109-2.2. A legal entity that is a member of the cooperative must be represented in the cooperative through their authorized representatives in the manner determined by legislation.

109-2.3. The members of the cooperative participate in the work of the cooperative by applying their personal labor depending on the nature of its activity.

109-2.5. Dividends are not paid to members of the cooperative [except for joint (associate) members] for their absolute property shares.

109-2.6. When a member of the cooperative retires due to age and health, goes to an election outside the cooperative, is called up for military service, and in other cases provided for in the charter of the cooperative, he can become a joint (associate) member in the cooperative based on the decision of the general meeting of the cooperative.

109-2.7. The amount of the absolute property share fee of the joint (associate) member of the cooperative and the terms of dividends paid on the share fee are determined on the basis of the agreement concluded between the joint (associate) member and the cooperative in accordance with the charter of the cooperative. When the amount of the absolute property share of a joint (associative) member of the cooperative is determined in the charter of the cooperative, other members of the cooperative are determined in an amount greater than the amount of the absolute share.

109-2.8. A joint (associate) member of a cooperative does not have the right to vote, except where the terms of his membership in the cooperative are changed in the charter of the cooperative.

Article 109-3. Admission to cooperative membership

Admission to the membership of the cooperative is carried out in the manner determined in the charter based on the official application of the person who wants to become a member. A member of the cooperative is given a membership booklet. The content of the articles shown in the booklet is determined by the charter of the cooperative.

Article 109-4. Rights and duties of cooperative members

109-4.1. Members of the cooperative have the following rights:

109-4.1.1. entering the cooperative and voluntarily leaving the cooperative;

109-4.1.2. to participate in the management and activities of the cooperative, to elect the members of the cooperative and to be elected to them;

109-4.1.3. to get information about the operation of the cooperative and get acquainted with its financial and other documents;

109-4.1.4. to make suggestions on improving the operation of the cooperative, eliminating deficiencies in the work of its bodies and officials;

109-4.1.5. participate in profit sharing and receive other payments;

109-4.1.6. when the cooperative is liquidated, after settlement with the creditors, to receive the property or the value of this part;

109-4.1.7. to use the privileges and benefits provided for members of the cooperative;

109-4.1.8. to exercise other rights provided by this Code and the charter of the cooperative.

109-4.2. The rights stipulated in Articles 109-4.1.2 and 109-4.1.7 of this Code do not apply to (associative) members of the cooperative.

109-4.3. The members who participate in the activity of the cooperative with their personal labor have the right to receive wages in money or in kind for their labor, in addition to the specified rights.

109-4.4. The members of the cooperative have the following duties:

- 109-4.4.2. to comply with the charter, to fulfill the decisions of the bodies of the cooperative;
- 104-4.4.3. to participate in the compensation of the damage caused to the cooperative in t and in the manner stipulated in Article 110.4 of this Code;
- 109-4.4.4. perform other duties provided by law and regulations.

Article 110. Property of the cooperative

110.1. The property owned by the cooperative is divided among the shares of its members in accordance with the charter of the cooperative. The property (funds) of the cooperative consists of the main funds, working capital and other material values shown in the balance sheet. The source of formation of the cooperative's property can be its own funds and borrowed funds. The cooperative forms its funds from the property share fees stipulated in its charter, income from entrepreneurial activity, placement of its own funds in banks and other credit organizations, securities, loans, deposits of individuals and legal entities, and other sources not prohibited by law. The amount of funds borrowed by the cooperative in the manner determined by the legislation should not exceed 50 percent of the property (funds) of the cooperative. The property of the cooperative is its private property. A member of the cooperative may transfer the property owned by him to the cooperative for use on the basis of a contract. A cooperative union may transfer the property owned by it to its member cooperative on the basis of a contract and use it for other purposes specified in the union's charter. [\[178\]](#)

110.2. Unless otherwise stipulated in the charter of the cooperative, the member of the cooperative is obliged to pay the share fee in full until the cooperative is registered.

110.3. The charter of the cooperative may determine that a part of the property belonging to the cooperative is made up of indivisible funds used for the purposes specified by the charter. The decision on the establishment of indivisible funds is taken unanimously by the members of the cooperative unless otherwise stipulated in the charter of the cooperative.

110.4. The members of the cooperative are obliged to pay the incurred losses by paying additional fees within two months after the approval of the annual balance sheet. If this duty is not fulfilled, the cooperative may be liquidated by the court at the request of the creditors. The members of the cooperative bear joint subsidiary liability for its obligations to the extent of the undistributed portion of the additional fee of each member of the cooperative.

110.5. After the liquidation of the cooperative, the remaining property is distributed among the members of the cooperative in accordance with its charter.

Article 110-1. Cooperative members' dues and the cooperative's share fund [\[179\]](#)

110-1.1. Property shares paid by cooperative members to the cooperative constitute the cooperative's share fund. The share fund of the cooperative determines the minimum limit of the cooperative property that guarantees the interests of the creditors of the cooperative. The member fee paid when entering the cooperative is not included in the share fund and is not returned to the member of the cooperative when he leaves the cooperative.

110-1.3. The size of the cooperative's share fund and absolute share, the procedure for paying absolute and additional shares, the procedure for evaluating the shares paid with property (rights) are determined by the charter. Persons engaged in the procedure defined by the legislative field may be involved in the assessment.

110-1.4. If at the end of the second and subsequent years, the value of the net asset cooperative is less than the value of the share fund, the general meeting of the member cooperative is obliged to announce the decrease of the share fund and register it in the manner specified by the legislation.

110-1.5. The share fund can be increased or decreased by the decision of the general meeting of cooperative members. The amount of the share fund should not exceed the amount of net assets of the cooperative. If the amount of the share fund of the cooperative exceeds the amount of its net assets, the share fund of the cooperative must be reduced by proportionally reducing the share fees in the amount of the specified difference.

110-1.6. Increasing the share fund of the cooperative is allowed by increasing the amount of absolute share fees.

Article 110-2. Profit of the cooperative and its distribution

110-2.1. The profit of the cooperative is directed to the funds of the cooperative, settlement of creditors, other purposes determined by the charter of the cooperative and (or) the payment of cooperative payments and dividends, in the cases and in the order stipulated in the charter of the cooperative, after the mandatory payments determined by the legislation of the Republic of Azerbaijan.

110-2.2. The profit of the cooperative is distributed among the members of the cooperative in accordance with the amount of their share (absolute and additional) fees, as well as their personal and (or) participation in the operation of the cooperative in another form.

110-2.3. The general meeting of the cooperative members may decide to limit the paid cooperative fees and dividends to a certain amount of the cooperative's profit.

Article 110-3. Property liability of the cooperative and its members

110-3.1. The cooperative is responsible for its obligations with its property.

110-3.2. The cooperative is not responsible for the obligations of its members in connection with the operation of the cooperative and other obligations (debts) except for the case provided for in Article 112.5 of this Code.

110-3.3. After the establishment of the cooperative, the person who becomes a member is not responsible for the obligations taken by the cooperative before becoming a member, provided that the charter does not stipulate a different rule. The person who wants to become a member of the cooperative should be given all the necessary information about it.

110-3.4. The members of the cooperative bear subsidiary responsibility for the obligations of the cooperative. Subsidiary liability of cooperative members for the obligations of the cooperative arises when the cooperative does not have sufficient funds to cancel its obligations and is determined in accordance with Article 110.4 of this Code.

111.1. The supreme governing body of the cooperative is the general assembly of its members. In a cooperative with more than fifty members, a supervisory board can be established to monitor the activities of its executive bodies. Supervisory board members do not have the right to act on behalf of the cooperative. Executive bodies of the cooperative are the board of directors and (or) its chairman. They carry out current management of the cooperative's activities, report to the supervisory board and the general meeting of cooperative members. Members of the cooperative's supervisory board and the management board, as well as the chairman of the cooperative, can only be members of the cooperative. A member of the supervisory board or executive body cannot be a member of a similar cooperative. A member of the cooperative cannot be a member of the supervisory board and the chairman of the cooperative at the same time.

111.2. The powers of the management bodies of the cooperative and the procedure for decision-making are determined by the charter of the cooperative.

111.3. The exclusive authority of the general meeting of cooperative members includes the following:

111.3.1. change the charter of the cooperative;

111.3.2. to establish the supervisory board of the cooperative and to terminate the powers of its members, as well as to establish the executive bodies of the cooperative and to terminate their powers, provided that according to the charter of the cooperative, this right is not given to its supervisory board;

111.3.3. admit and remove members of the cooperative;

111.3.4. to approve the cooperative's annual reports and *financial statements and distribute losses*;

111.3.5. to make a decision on the reorganization and liquidation of the cooperative;

111.3.5-1. to make a decision on the conclusion of contracts provided for in Article 49-1.2 of this Code;

111.3.6. by the charter of the cooperative, the resolution of other issues may be assigned to the exclusive authority of the general meeting.

111.4. They cannot refer the issues that are assigned to the exclusive authority of the cooperative general meeting or the supervisory board to the cooperative's executive bodies for resolution.

111.5. When decisions are made at the general meeting, the cooperative member has one vote.

111.6. In cooperatives with more than 200 members, the general meeting of cooperative members may be held in the form of a meeting of trustees in accordance with the charter of the cooperative. The number of trustees is determined taking into account the number of cooperative members. Commissioners are elected by open or secret voting in the manner provided for in the charter of the cooperative, including: the number of cooperative members who are elected commissioners; the office of commissioners; the order of their election. Commissioners cannot delegate their powers to other persons, including cooperative members. The provisions of this Code and the charter of the cooperative also apply to the meeting of trustees. [

111.7. The general meeting of cooperative members is authorized if more than half of the members (or their representatives) are present. The meeting of trustees is authorized when more than half of the elected trustees are present.

111.8. The general meeting of the members of the cooperative is convened by the board of directors (chairman) no less than once a year in the terms and in the manner determined by the charter.

the inspection commission (inspector), or at the request of at least a quarter of the members, have the right to vote (*requirements of the Law of the Republic of Azerbaijan "On the Central Bank of the Republic of Azerbaijan" in relation to entities controlled in the financial markets taking into account*) is called, in this case, the extraordinary general meeting of the members of the cooperative is called by the

directors (chairman) within fifteen days in the manner specified in the charter of the cooperative.

111.9. When the supervisory board of the cooperative is established, the number of its members and their term of office are determined by the general meeting of cooperative members. The meeting of the supervisory board is convened when necessary, but not less than once every six months. The holding of meetings of the supervisory board are determined by the charter of the cooperative. In the cases provided by the charter, the supervisory board or its individual members may be recalled by the general meeting of cooperative members before the end of their term of office.

111.10. The management board of the cooperative and (or) its chairman directs the current affairs of the cooperative in the period between the general meetings of the cooperative members, conducts its work, and represents the cooperative. If the number of members of the cooperative exceeds fifty, a board of directors of the cooperative is elected by the general meeting of the members of the cooperative. The board of directors is managed by the chairman elected (appointed) by the general meeting of cooperative members. (appointment) of the management board of the cooperative and (or) its chairman, their powers and term of office, the right of the chairman of the board to dispose of the property of the cooperative, his salary, responsibility, as well as the grounds and procedure for early termination (resignation) of the cooperative determined by the statute.

111.11. If the board of directors is established, the powers of the chairman and the members of the board of directors (powers exercised individually and collegially) should be specified separately in the charter of the cooperative.

111.12. In order to control the financial and economic activity of the cooperative, the general meeting of cooperative members elects an inspection commission (consisting of at least three members) if the number of cooperative members is more than fifty, and an inspector if the number of cooperative members is less than fifty.

111.13. Inspection commission (inspector) of the cooperative:

111.13.1. checks the financial situation of the cooperative according to the results of the fiscal year;

111.13.2. at the request of the members whose number exceeds ten percent of the general meeting of cooperative members, the supervisory board, as well as on its own initiative, inspects the financial and economic activity of the cooperative.

111.14. The inspection commission (inspector) of the cooperative submits an opinion on the activities of the governing bodies of the cooperative based on the results of the inspection. The supervisory board or the board of directors (chairman) reviews the results of the inspection in accordance with the charter of the cooperative and makes an appropriate decision. If they do not agree with the decision, the inspection commission (inspector) may appeal to the general meeting of cooperative members.

111.15. In the cases provided by the charter, the inspection commission or its individual members or the inspector may be recalled by the general meeting of cooperative members before the end of their term of office.

Article 112. Termination of membership in the cooperative and transfer of shares

stipulated in the charter of the cooperative. Payment of share value or giving other property to an outgoing member of the cooperative, unless otherwise stipulated in the charter of the cooperative, is carried out after the end of the financial year and the approval of *the financial statements of the cooperative*.

112.2. A member of the cooperative may be removed from the cooperative by the decision of the general meeting if he does not perform the duties assigned to him by the charter of the cooperative or fails to perform properly, as well as in other cases provided for by the charter of the cooperative. According to Article 112.1 of this Code, a member of the cooperative expelled from the cooperative loses the right to receive his share and other payments stipulated in the charter of the cooperative.

112.3. If the charter of the cooperative does not provide a different rule, a member of the cooperative can give his share or a part of it to another member of the cooperative. Transfer of the share (part of it) to an individual who is not a member of the cooperative is allowed only with the consent of the cooperative. In such a case, other members of the cooperative have the right of priority in the acquisition of that share (a part of it). If the members of the cooperative do not exercise their right of preference within the period stipulated in the charter of the cooperative, the share may be alienated to a third party.

112.4. If a member of the cooperative dies, his heirs may be admitted to the membership of the cooperative, unless otherwise stipulated in the charter of the cooperative. Otherwise, the value of the share of the deceased member of the cooperative is paid by the cooperative to his heirs.

112.5. Deduction for the personal debts of a cooperative member is allowed to be directed to the cooperative member's share only if his other property is not sufficient to pay those debts in the amount stipulated by the cooperative's charter. Detention due to the debts of the cooperative member cannot be directed to the indivisible funds of the cooperative.

Article 113. Reorganization and liquidation of the cooperative

113.1. The cooperative may be reorganized or dissolved voluntarily by the decision of the general meeting of its members.

113.2. Other grounds for reorganization and liquidation of the cooperative are determined by the Code.

§3. Non-profit organizations

Article 114. Public associations

114.1. The property given to the public association by the founders (participants) of the association is the property of the association. The public association uses this property for the purposes specified in its charter.

114.2. Participants of public associations do not retain their rights to the property, including membership fees, that they have given to the ownership of those associations. They are not responsible for the obligations of public associations, and public associations are not responsible for the obligations of their participants.

connected to the state budget. [\[183\]](#)

114.4. The characteristics and legal status of individual types of public associations are determined by this Code and legislation.

Article 115. Funds

115.1. A fund is an organization without membership, established by physical and (or) legal persons on the basis of property rights, pursuing social, charitable, cultural, educational or other social goals. [\[184\]](#)

115.1-1. When the fund is established, its authorized capital must not be less than ten thousand manats. [\[185\]](#)

115.2. The property given by the founders of the fund is the property of the fund. The fund uses that property for the purposes specified in its charter.

115.3. The fund is obliged to publish annual reports on the use of its property.

115.4. The founders are not responsible for the obligations of the fund they created, and the fund is not responsible for the obligations of its founders.

115.5. The procedure for the management of the fund and the formation of its bodies is determined by the fund's charter approved by the founders.

115.6. In addition to the information specified in Article 47.2 of this Code in the fund's charter, the name of the fund including the word "fund", information about the goals of the fund; information about the fund's bodies, including the board of trustees that controls the fund's activities, the procedure for appointing and releasing the fund's officials, and the procedure for disposing of the fund's property during liquidation should be provided.

115.7. The characteristics and legal status of individual types of funds, including public organizations, are determined by this Code and legislation.

Article 116. Changing the fund's charter and canceling it

116.1. The fund's charter can be changed by the fund's bodies, provided that the charter provides for the possibility of changing it in this manner. If keeping the charter unchanged leads to consequences that cannot be considered in advance at the time of foundation of the fund, and if the charter does not provide for the possibility of changing the charter and the charter is not changed by authorized bodies, the right to make changes lies with the bodies of the fund or the body authorized to control its activities by the fund charter. belongs to the court according to his application.

116.2. The decision to liquidate the fund can only be taken by the court based on the application of the interested parties. The fund can be canceled in the following cases:

116.2.1. if the fund's property is not sufficient for the realization of its goals and the possibility of obtaining the necessary property is not realistic;

116.2.2. if the goals of the fund cannot be achieved, and if these goals cannot be properly changed;

116.2.3. when the fund deviates from the goals stipulated in the charter in its activity;

Article 117. Unions of legal entities

117.1. Commercial organizations can create alliances for the purpose of coordinating entrepreneurial activities, as well as representing and defending common interests (including interests) (including in state and other bodies, international organizations). If, by the decision of the participants, the union is entrusted to carry out entrepreneurial activities, such union becomes a business partnership or a society in accordance with the procedure provided by this Code, or create a business society to carry out entrepreneurial activities or participate in such a society. [\[1\]](#)

117.2. Non-profit organizations can create alliances for the purpose of coordinating their activities as well as representing and defending their common interests.

117.3. Union participants retain their independence and legal personality rights.

117.4. The property given to it by the founders (participants) of the union is the property of the union. This property is used by the union for the purposes specified in its charter.

117.5. The Union is not responsible for the obligations of its participants. The participants of the Union bear subsidiary responsibility for its obligations in the amount and in the manner provided in the charter.

117.6. The main subject of the activity of its participants, as well as the word "union" shall be indicated in the name of the union.

117.7. When the Union is dissolved, its property *remaining after the payment of its debts* is directed to the purposes specified in the Union's charter, and if this is not possible, it is directed to the state.

117.8. The characteristics and legal status of individual types of unions are determined by this Code and legislation.

Article 118. Charter of the Union

In addition to the information specified in Article 47.2 of this Code in the Union's charter shall be specified: the amount, composition and manner of payment of the fees paid by the members of the Union; the responsibility for violating the obligation to pay, the composition and authority of the management bodies of the Union, their decision-making, including unanimous and or information on the procedure for the union participants to make decisions on issues that are accepted by conditional majority; the procedure for disposing of the union's property in the event of the union's dissolution.

Article 119. Rights and duties of the participants of the Union

119.1. If the charter of the union does not provide a separate rule, the participants of the union have the right to use its services free of charge.

119.2. A member of the union may withdraw from the union at the end of the financial year or case, if a separate period is not provided for in the charter of the union, within one year from the date of its exit, he bears subsidiary responsibility for the obligations of the union proportional to his share. A participant of the union may be expelled from the union by the decision of other participants in

119.3. With the consent of the participants, a new participant can enter the alliance. The new participant into the union may be conditioned by his subsidiary responsibility for the obligation of the union that occurred before he joined.

§4. Inventory list, annual balance sheet and audit of legal entities - removed. [\[187\]](#)

§ 5. State register of legal entities - removed. [KM 1](#)

The third section

PROPERTY AND THINGS LAW [\[188\]](#)

Chapter 5.

General Provisions

§ 1. Basic concepts of property law

Article 135. Objects of property right

135.1. According to this Code, only physical objects are considered items. Money and securities are also things. [\[189\]](#)

135.2. Property is a collection of any objects and intangible assets.

135.3. Plants and animals are not things. Their legal status is determined by special law legislation does not specify a separate rule, the legal status of things also applies to plants and animals.

135.4. Objects can be immovable or movable. Land plots, underground plots, separate water forests, perennial crops, buildings, facilities and other objects firmly connected to the land (*which cannot be separated from it*), i.e. objects that cannot be changed without causing disproportionate damage to their purpose, are immovable objects. *The plot of land and the object firmly connected to the land cannot be separated from it* are a single immovable object and a single object of ownership. [\[190\]](#)

135.5. All things that cannot be attributed to immovable things are considered movable. Claims and rights that can be transferred to others or are intended to give the owner the right to a material benefit or to demand something from others are intangible property benefits. Relations with intangible property benefits (claims and rights) are regulated in accordance with the provisions of the special legislation applicable to each of them. [\[191\]](#)

135.6. Things can be divisible and indivisible. Things that cannot be divided without changing their purpose or that should not be divided by law are indivisible things.

135.7. Individually defined items that are separated from other items only by their

135.8. Movable things whose purpose is to be consumed or alienated are things that are consumed.
135.9. If different types of things create a single whole, intended to be used for a common purpose, they are considered a property (complex property). The force of the agreement concluded on the property applies to all its constituent parts, unless otherwise stipulated in the agreement.

135.10. In the ordinary sense, everything that is part of the thing and cannot be separated without being destroyed, damaged or altered is a part of the thing. The owner of the thing is the owner of all its constituent parts, except in cases of self-construction. [\[192\]](#)

135.11. In a general sense or according to the clear will of the owner of the main thing, objects intended for the permanent operation of the economy, use or storage of the main thing and adapted to it are accessories of the thing. If the item is an accessory, its quality is maintained even if temporarily separated from the main item. If there is no separate agreement, ownership of the main thing includes its accessories.

135.12. The income, growth, and/or advantage that the item provides is the item's natural spring. The natural spring is part of the item until separated. Whoever owns the thing owns the natural spring of the thing.

Article 136. Civil circulation of goods

136.1. If the goods are not taken out of circulation or their circulation is not restricted, the goods can be freely alienated or transferred from one person to another in the order of universal legal succession (inheritance, reorganization of a legal entity) or in another way.

136.2. Items that are not allowed to be in civil circulation (items removed from civil circulation) must be directly specified in the legislation.

136.3. Items that can belong only to certain participants of the circulation or are allowed to be in circulation on the basis of a special permit (items with restricted civil circulation) are determined in accordance with the law.

Article 137. Intangible property benefits - excluded. [\[193\]](#)

Article 138. Encumbrance of goods and rights

138.1. Encumbrance of an object is any form of limitation of the right to ownership of a thing based on law or contract.

138.2. Encumbrance is any limitation of civil rights or claims based on law or contract.

§ 2. State registration of property rights

Article 139. State registration of rights to movable and immovable property

139.1. Ownership rights and other rights to immovable property, limitation, formation, transfer

as other rights to immovable property must be registered in the cases provided for in this legislation.

139.2. Rights to movable property must be registered with the state only in the cases stipulated by the legislation. [\[194\]](#)

139.3. State registration of rights to immovable property is carried out in the state register of immovable property, which is compiled and maintained by the relevant executive power body in the manner established by legislation. [\[195\]](#)

139.4. According to the location, an address register is maintained, which is a database that allows determining the location of real estate objects without using special tools. The address register and assigning addresses to real estate objects is carried out in the manner determined by the relevant executive authority. [\[196\]](#)

Article 139-1. Grounds for state registration of rights over real estate

139-1.1. The following are considered the basis for state registration of the formation, limitation (encumbrance) and termination of rights over immovable property:

139-1.1.1. Acts adopted by the executive power and municipal bodies on the expropriation, use, and mortgage of immovable property belonging to the state or municipalities, in accordance with the law;

139-1.1.2. the final protocol on the results of the open auction conducted by special organizations in accordance with the law, as well as the protocol on the acquisition of the subject of the mortgage, when the re-auction is declared not to have taken place; [\[197\]](#)

139-1.1.3. Notarized real estate contracts, inheritance rights, joint property rights of spouses, certificates on the acquisition of residential houses, apartments at open auction, real estate certificates; [\[198\]](#)

139-1.1.4. legally binding court decisions;

139-1.1.5. On real estate granted by the relevant executive authorities until July 6, 2006, in the form of land plots, buildings and facilities, residential and non-residential areas, private residences and houses, underground areas, watersheds, forests and perennial plantings, acts, certificates and registration cards confirming rights over enterprises such as property complexes; [\[199\]](#)

139-1.1.6. the decision of the general meeting of the members of the housing-construction cooperative on the allocation of residential (non-residential) space in the building of the housing-construction cooperative (when the share fee stipulated by the legislation is paid in full);

139-1.1.7. Lease agreements, orders and warrants issued by the horticulture departments and other relevant executive authorities until May 22, 2007, regarding the garden areas allocated to citizens, as well as the membership booklet issued according to the list of members of the collective horticulture-community fund; [\[200\]](#)

State Register of Real Estate" came into force . [\[201\]](#)

139-1.1.9. Regarding buildings built before the implementation of the Urban Planning and Construction Code of the Republic of Azerbaijan (until January 1, 2013): [\[202\]](#)

139-1.1.9.1. in relation to residential houses with a height of up to 12 meters - a document confirming right of ownership, lease or use of a plot of land, a project agreed with the relevant executive authority, or acceptance of a residential house into operation;

139-1.1.9.2. in relation to multi-apartment buildings, non-residential buildings and residential houses with a height of more than 12 meters - a document confirming the right of ownership, lease or use of a plot of land, a project agreed with the relevant executive authority, a decision of the relevant executive authority on permission to build a building, commissioning act;

139-1.1.10. Regarding the buildings constructed after the entry into force of the Urban Planning and Construction Code of the Republic of Azerbaijan (January 1, 2013):

139-1.1.10.1. for construction objects whose construction permit is required - a document confirming right of ownership, lease or use of a plot of land, a decision on granting a construction permit, an architectural-planning section of a construction project, a permit for the operation of a construction object;

139-1.1.10.2. for construction objects where the notification procedure is applied - a document confirming the right to ownership, lease or use of land, the architectural-planning section of the construction project, information by registered mail or directly to the authority (institution) informed about the construction project, a document confirming the issuance; [\[203\]](#)

139-1.1.11. Before the Housing Code of the Republic of Azerbaijan enters into force (until October 1, 2013) - an order, warrant or apartment rental agreement of the relevant executive authority on the provision of residential area from the state or public housing fund;

139-1.1.12. Real estate certificates issued by the relevant executive authority from July 6, 2006 to October 1, 2009.

Article 140. Presumption of authenticity and completeness of the contents of the state register of real estate [\[204\]](#)

The authenticity and completeness of the contents of the register shall be presumed unless proven otherwise. An entry in the register in favor of the acquirer of any right registered in the name of the expropriator on the basis of the contract shall be considered authentic, unless an objection to this entry is entered in the register or the acquirer knows that the entry is inaccurate.

Article 141. Correction in the state register of immovable property [\[205\]](#)

141.1. If the content of the state register of immovable property does not correspond to the actual land plot or the actual legal situation regarding the restriction of that right, the person whose right is not registered or whose right is not correctly registered, or the person whose right is violated by entering a record of non-existent encumbrance in the record in the state register of real estate

141.2. In the cases provided for in Article 141.1 of this Code, the validity of the state register of immovable property can be challenged.

141.3. Entering a record of objection in the state register of immovable property is carried out only with the consent of the person whose right is affected by the court's decision or correction in the register.

Article 142. Fee for real estate registration - Removed. [\[206\]](#)

Article 143. Control of the compilation of the state register of immovable property - Removed. [\[207\]](#)

Article 144. Notarial approval of contracts on disposal of real estate state register objects

144.1. Contracts on disposal of real estate objects of the state register must be notarized. During the execution of the contract, the notary public or other officials who have the right to perform such notarial act in accordance with the law must check the right of disposal of the party disposing of the object and the legality of the contract. They are responsible for the inaccuracy of the contract they approve. [\[208\]](#)

144.2. The right of disposal is confirmed by the fact that the disposing party has this right a) registered in the state register of immovable property or that an authorized person has given him this authority. This authority must also be confirmed by a notary public. The legality of the contract is determined by the notary public. Contracts on disposal of real estate objects of the state register are approved by the notary public or other officials who have the right to perform such notarial actions in the cases established by law in accordance with the technical indicators of that property registered in the state register of real estate. [\[209\]](#)

144.2-1. Verification of the disposal right and obligations of the disposing party, as well as the encumbrance of the property in the state register of immovable property, is ensured in accordance with the requirements of Article 148.3 of this Code. [\[210\]](#)

144.3. On the basis of the electronic copy of the notarized agreement on the disposal of real estate, transmitted in real time via the Electronic Government Information System through information systems, relevant to the state register of real estate, such an agreement is considered an application for registration of ownership and other property rights arising from it in the state register of real estate. [\[211\]](#)

144.4. If the acquirer relies on a valid court order or equivalent document, including notarial approval, notarization is not required.

144.5. Ownership rights to real estate can be divided based on a division plan that does not involve division of the property, but determines the ratio of shares in the common joint ownership to be created. If a division plan prepared by the owner is approved in the manner determined by the relevant executive body, the owner's ownership right to each of the shares resulting from the division is registered in the state register of real estate. [\[212\]](#)

144-1.1. Buildings whose construction has been permitted in accordance with the Urban Planning Construction Code of the Republic of Azerbaijan, but whose operation has not been permitted in accordance with that Code, are considered unfinished buildings.

144-1.2. The owner who has received permission to construct a building consisting of constituent parts of the plot of land in his possession may divide the plot of land into shares based on the division plan in accordance with the procedure provided for in Article 144.5 of this Code, in proportion to the number and area of constituent parts of the building to be built, and require the registration of ownership rights for each of the shares resulting from the division. can do.

144-1.3. A person who has received permission to construct a building consisting of components or parts owned by him may dispose of the shares created according to the division plan and the components of the unfinished building connected to those shares after the ownership right has been registered in the state register of real estate.

144-1.4. According to the division plan, the contracts on the disposition of the shares created in accordance with the division plan and the constituent parts of the unfinished building connected to those shares must be notarized and a security record must be made in favor of the persons acquiring the constituent parts in accordance with Article 147 of this Code.

144-1.5. In addition to other provisions in the contract provided for in Article 144-1.4 of this Code, the contract of purchase and sale of the shares to which the relevant constituents are attached in the plot of land where the construction of the unfinished building is located, the security record of the plot owner and the person who acquires the right to the plot of this Code Obligations stipulated in Article 178.8 and consents stipulated in Article 147.2, as well as the consent of the land plot owner to the transfer of the ownership right corresponding share and constituent part of the land to the person for whom a security note has been made in the fulfillment of the obligations stipulated in Article 178.8 of this Code. - must be clearly stated.

144-1.6. The person in whose favor a security note has been made may transfer his rights and obligations related to the share of the relevant component in the plot of land where the construction of the unfinished building is located, by notifying the owner of the plot of land in written form by registered mail, on the basis of an approved contract. In addition to other provisions in the contract, the extent of the rights and obligations transferred, the time of transfer and the transfer to that extent, the agreements of both parties to make appropriate change of the third party to whom the rights and obligations are transferred must be clearly stated in the security record. Such rights and obligations shall be transferred to the extent and conditions existing at the time of their transfer to the third party. Immediately after the notary approves this contract, he must send it to the state register of real estate through information systems in electronic form and by registered mail in certified written form, as well as the owner of the plot of land by registered mail in certified written form. Such an agreement is considered an application to make appropriate changes in the security record made in the state register of real estate and appropriate registration actions are taken based on that agreement.

Article 145. Application for registration of immovable property in the state register - with [214]

Article 146. Formation of the right to immovable property [215]

has legal force and cannot be appealed).

146.2. The right to dispose of immovable property arises from the date of registration of property in the state register of immovable property by territory.

146.3. Real estate contracts not registered in the state register of real estate are not allowed to be notarized, and contracts concluded on such real estate are considered invalid.

Article 146.2 of the Code and the first paragraph of this article do not apply to the notarial confirmation of the mixed agreement on the sale and mortgage of the residential area until the buyer's right over the residential area obtained using a mortgage loan is registered in the state register of real estate. [\[216\]](#)

~~146.4. After the notarial confirmation of the real estate contract, the notary gives two copies of the contract to the person who applied, or sends the notarized application of the person who applied for registration of the right in the state register of real estate to the relevant executive authority within 5 days at his request. The application must include a copy of the contract, documents reflecting the technical indicators of the real estate (their content and location), passport of the building, equipment, constructions and other immovable property (their content and location) located on the land plot, plan-drawing and state fee. A payment document is attached. A copy of the application is given to the person applying for the notarial confirmation of the contract. [\[217\]](#)~~

146.5. If the person acquiring real estate or the rights to it refers to a court decision or other document that has legal force and cannot be appealed, in this case, a notarized copy of that decision and documents reflecting the technical indicators of the real estate are attached to the application. [\[218\]](#)

~~146.6. If the documents for registration of immovable property or rights to it in the state register of real estate are incomplete, preliminary registration in the state register of real estate may be carried out with the consent of the owner or on the basis of a court decision. [\[219\]](#)~~

146.7. Registration of immovable property or rights to it in the state register of immovable property is carried out on the date of receipt of the application. [\[220\]](#)

146.8. Due to the registration of contracts on real estate in the state register of real estate, the notary who approves the contract on real estate, other officials who have the right to perform such notarial acts, and the official of the relevant executive authority bear legal responsibility. The state acts as a regressor due to allegations of non-registration of contracts on real estate in the state register of real estate or incorrect registration, incomplete registration. [\[221\]](#)

Article 147. Record of guarantee on the plot of land [\[222\]](#)

147.1. In order to satisfy the requirements aimed at obtaining any rights related to the land plot (including the built or unfinished construction objects on it), a security record of the land plot can be made in the state register of real estate. The specifics of security recording related to the shares to which the constituent parts of the land plot where the construction of the unfinished building is located, taking into account the requirements of this article, are determined in Article 144-1 of this Code.

wants to acquire the right to the land to make a security record of that land in his favor, as well as a security record in favor of the rights arising from the contract after the fulfillment of the relevant requirements. The rights of the owner of the plot of land to be transferred to the transferee must be clearly expressed.

147.3. The security record is created from the time the real estate is registered in the state register.

147.4. As long as the security record made in the state register of real estate about the plot of land has legal force, no further security record can be made about that plot of land.

147.5. The actions of the body that maintains the state register of immovable property and notaries in connection with the recording of a security record on land are regulated by this Code, "On Notary" and "On the State Register of Immovable Property" laws of the Republic of Azerbaijan.

147.6. After determining the legality of the contract to be concluded, the notary notary notarizes it and registers it in the state register of real estate, and a security record is made in the state register of real estate within the same period.

147.7. During the time when the security record about the land plot retains its legal force, the actions concluded on that land plot or the right to it and (or) orders issued in other form are invalid in the part that contradicts or hinders the implementation of the demand that was the basis of the security record. The same rule applies if the order is issued in the order of compulsory execution or arrest or by the property administrator during the bankruptcy process.

147.8. In the state register of immovable property, the security record of the plot of land loses its legal force in the following cases:

147.8.1. when the rights of the person in whose favor the security note was made, arising from the contract provided for in Article 147.2 of this Code, are registered in the state register of real estate in accordance with Article 147.2 of this Code;

147.8.2. when the contract provided for in Article 147.2 of this Code is terminated in accordance with Articles 421-424 of this Code;

147.8.3. when appropriate changes are made to the third party to whom the rights and obligations were transferred based on the contract provided for in Article 144-1.6 of this Code in the security record.

147.9. In the event that the possibility to use a mortgage loan of the person in favor of whom a security record is made is determined in the contract concluded in accordance with Article 147.2 of this Code for the acquisition of the land plot (including construction objects built on it or unfinished construction on it), that person shall not be able to conclude a mortgage contract for the purpose of that mortgage can be used as a guarantee of the loan used to finance the acquisition of the mortgaged land plot (including the unfinished construction objects on it).

Article 148. Openness of the state register of immovable property

148.1. Description of real estate, state-registered rights and a certificate from the state register regarding their restriction (encumbrance) to the right holder, the person represented by him, who have the right to inherit the property of the right holder based on the law or will, fulfillment of the powers provided by law in the manner established by law. is given to relevant state bodies and municipalities. [\[223\]](#)

148.2. The rights of every person who has acquired ownership rights or other rights to immovable property based on the entry in the state register of immovable property must be protected.

~~ronic information systems from the state register of real estate. "On Notary" is obtained in accordance with the Law of the Republic of Azerbaijan.~~ [\[224\]](#)

148.3. ~~Real estate extract from the state register of real estate, description of that property, information rights registered on this property and their limitation (encumbrance) in connection with the performance of notarial acts on real estate by a notary public or other officials entitled to perform notarial acts in cases determined by law with notaries or as determined by law in order to ensure that the document drawn up and (or) approved as a result of the notarial action performed on real estate and considered as the basis for registration of that property is transferred to the state register of real estate in electronic form immediately after its approval in cases where such has been done, the possibility of exchanging information and documents in real time between other officials who have the right to perform such notarial actions and the state register of immovable property through electronic information systems, and their direct access to the state register of immovable property through those systems should be ensured.~~ [\[225\]](#)

148.4. ~~In order to obtain information on mortgaged real estate, a connection is established between information systems of the Central Bank of the Republic of Azerbaijan, the financial market control body, mortgage funds, mortgage-holding banks and other credit organizations and the state register of real estate.~~ [\[226\]](#)

Article 149. Unreasonable registration of rights to immovable property

149.1. ~~Removed.~~ [\[227\]](#)

149.2. If the registration of rights to immovable property is unjustified, or if the correct registration has been unreasonably removed or changed, any person whose rights to immovable property have been affected as a result may file a claim for removal or change of registration. As a result of this, the person is excluded to make claims for compensation for the damage caused. In this case, the rights of third parties obtained in connection with registration are preserved.

Article 150. Cancellation of registration of destroyed immovable property

150.1. If the immovable property is completely destroyed and as a result its registration loses legal meaning, the interested person can request the cancellation of the registration in connection with the destruction of immovable property must be confirmed by an official of the relevant executive authority which compiles the state register of immovable property. [\[228\]](#)

150.2. Any interested person can appeal to the court within ten days from the time of learning about the cancellation of registration.

~~Article 151. Amendment in the state register of immovable property~~ [\[229\]](#)

~~151.1. The relevant executive authority, which compiles the state register of immovable property, can make changes in the register only based on a legally binding court decision without the consent of the interested parties.~~

Chapter 6.

General provisions of property law

Article 152. Concept and content of property right

152.1. Property right is the state-recognized and protected right of the subject to own, dispose of the property (item) belonging to him as he wishes.

152.2. Ownership right is a legally guaranteed opportunity to exercise actual ownership of (item).

152.3. The right of use is a legally guaranteed opportunity to extract useful natural property from the property (item), as well as to benefit from it. Benefits from use can be in the form of growth, derivative and other forms.

152.4. The right of disposition is a legally guaranteed possibility to determine the legal status of the property (item).

152.5. The owner may freely own, use and dispose of the property (item) within the specific limits, *taking into account the restrictions set by the law or the contract*, may not allow the ownership of the property by other persons, and at his own discretion, with regard to the property belonging to him, may perform actions, provided that those actions do not violate the rights of neighbors or third parties and do not abuse the right. [\[230\]](#)

152.6. Abuse of rights is the use of property in a way that harms others; in this case, the actual content of the owner's interest is not clearly stated, and the necessity of his actions is not justified.

152.7. The right to use also includes the possibility of not using one's own thing. If the non-use or maintenance of the item is injurious to the public interest, a duty of use or care and storage is imposed. In this case, the owner may be obliged to perform those duties himself or to provide for use by other persons in exchange for an appropriate fee.

152.8. The owner can transfer his property to another person's power of attorney (power of attorney). Transferring the property to trusteeship does not cause ownership rights to be transferred to the trustee; he must manage the property for the benefit of the owner or a third party indicated by the owner.

152.9. Ownership of a thing also extends to its essential components.

152.10. The risk of accidental destruction or accidental damage to the property, unless otherwise specified in this Code or the contract, rests with the owner.

152.11. Unless otherwise specified in this Code or the contract, the owner bears the burden of maintaining the property belonging to him.

Article 153. Subjects of property rights

153.1. Subjects of ownership rights to movable and immovable property of all types can be legal entities and individuals, municipalities and the Republic of Azerbaijan.

153.3. Depending on whether the property is owned by a natural or legal person, the procedure in the Republic of Azerbaijan or municipalities, the features of obtaining and terminating the property, ownership, use and disposal of property can only be determined by law.

153.4. The rights of all owners are equally protected.

Article 154. Property right of natural and legal persons

154.1. Individuals and legal entities may own any property, with the exception of certain property that cannot belong to individuals or legal entities in accordance with the legislation.

154.2. The amount and value of property owned by individuals and legal entities is not limited, except for cases where limitations are determined by legislation for the purposes provided for in Article 6.3 of this Code.

154.3. Commercial and non-commercial legal entities are the owners of the property given by their founders (participants, members) as a fee or fee, as well as the property acquired by these entities on other grounds.

Article 155. State ownership right

155.1. Property owned by the Republic of Azerbaijan is state property.

155.2. Land and other natural resources that are not owned by individuals, legal entities or municipalities are state property.

155.3. State budget funds are the property of the Republic of Azerbaijan.

155.4. According to the law on the privatization of state property, the state can transfer its property to the ownership of individuals and legal entities.

Article 156. Property rights of municipalities

156.1. Property owned by municipalities is their property.

156.2. The funds of the local budget are the property of the municipality.

Article 157. Protection of property

157.1. The owner has the right to demand the recognition of the ownership right.

157.2. The owner can claim back his property from the illegal possession of another.

157.3. *Removed.* [\[231\]](#)

157.4. If encroachment or other obstructions are committed without taking or depriving the owner, the owner may require the encroacher to stop these actions. If such actions continue, the owner may request an end to those actions through the court.

157.5. When the owner claims his property back from the illegal possession of another person who knows or should have known that this person's possession of the property is illegal (unscrupulous owner), he can also demand the return or compensation of all the income he took or should have taken.

the owner's claim for the return of the property. In addition, the unscrupulous owner must compensate the owner of the property for all damages related to the possession of the property. A bona fide owner is not obliged to pay compensation for the property that disappears or is damaged during the payment of the compensation, including the loss due to taking income from the property. [\[232\]](#)

157.6. Either an honest owner or an unscrupulous owner, in turn, can demand from the other compensation for the necessary expenses spent on the property after the income from the property is returned to the owner.

157.7. A bona fide owner may retain his improvements which may be detached from the property without damage to it. If the improvements cannot be so separated, the bona fide owner may demand reimbursement for the costs incurred to improve the property, provided the property does not lose value or the value of the property.

157.8. Ownership rights also belong to the person who owns the property on the basis stipulated in this Code or the contract, even if he is not the owner.

157.9. When state needs require, ownership by the state is only provided by the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs" for the construction and installation of important roads and other communication lines, provision of reliable protection of the state border along the border strip, construction of defense and security-important objects, for the purchase for the purpose of building state-important mining industry facilities. [\[233\]](#)

Article 158. Rights of non-owners

158.1. In addition to property rights, the following are property rights:

158.1.1. right of lien;

158.1.2. the right to use property;

158.1.3. easements.

158.2. Property rights may also belong to persons who are not the owners of that property.

158.3. The transfer of title to property does not terminate other property rights in that property, provided that the acquirer is in good faith regarding the fact that the property is not encumbered.

158.4. The property rights of a non-owner are protected from being violated by any person, including the owner.

Chapter 7.

Ownership right

Article 159. Property ownership

Ownership is achieved by attaining actual possession of the thing.

If the owner has given the thing to someone to exercise a right of limited possession or possession, they both own it. The first of them has an intermediary, and the second has an owner.

Article 161. The owner of another's property and the owner of his own property

The owner of the thing is the owner of his own thing, and any other owner of the thing is that of another's thing.

Article 162. Temporary interruption of ownership

The essentially temporary inability or impossibility to actually possess the thing does not constitute possession of the thing.

Article 163. Transfer of ownership

163.1. Ownership is given by handing over the thing itself. A transfer takes place when the owner is able to exercise actual ownership of the thing acquired by the will of the previous owner.

163.2. If a third person or the expropriator himself continues to own the thing on the basis of legal relations, the ownership of the thing can be obtained without giving the thing. Such transfer of ownership is valid for a third party only if the expropriator notifies him of this. A third party may refuse to give the thing to the acquirer on the same grounds as he cited for refusing to give the thing to the expropriator.

163.3. When a warrant document representing them is issued for the goods delivered to the forwarder or warehouse, the issuance of this document is considered as the delivery of the goods themselves. If there is both a bona fide acquirer of the warrant document and a bona fide acquirer of the goods, the latter is preferred.

Article 164. Protection of ownership

164.1. Deprivation of possession and violation of it without the will of the owner is prohibited by law. Every owner has the discretion to use force to protect against prohibited arbitrariness. At this time, he should refrain from unreasonable force actions, taking into account the circumstances.

164.2. The dispossessed person can demand the return of possession from the illegal owner. The claim is excluded if the deprivation of possession is a wrongful act against the actual owner or predecessor in title and the possession was acquired in the year preceding the deprivation.

Article 165. Violation of ownership

165.1. When possession is violated by prohibited arbitrariness, the owner may require the infringer to cease violations. The owner may file an action to stop the violations if it is feared that they will continue. Such a claim is excluded when possession is unlawful for the infringer or his predecessor.

165.2. An action for prohibited arbitrariness is allowed only if the owner demands the return of the thing or the elimination of the violation immediately after the intent and fault became known. The statute of limitations is one year from the moment of the deprivation or violation, even if the owner and the guilty owner is known later.

Article 166. Presumption of ownership based on possession

166.1. It is assumed that the owner of a movable object has the right of ownership of the object. Any previous owner is presumed to have been the owner at the time of his possession.

166.2. The owner who does not want to be the owner of the movable object can assume that the object is owned by the person from whom it was secured. A possessor who knows or ought to know that he has no right to possession is a dishonest possessor. A chattel owner who claims a limited chattel or personal right over a chattel is presumed to have such a right. However, he cannot assume that the person from whom he bought the item has such a right.

166.3. It is assumed that only that person has the ownership right to the plot of land and the claim ownership, whose right of ownership derives from the registration of the plot of land in the register of immovable property. However, the actual owner of the land may file a claim for deprivation of possession or violation of possession.

Article 167. The duty of the dishonest owner to return the item – Removed. [\[235\]](#)

Article 168. Non-responsibility of the bona fide owner to the owner – Removed. [\[236\]](#)

Chapter 8.

Limitation of Proprietary Rights

Article 169. General provisions of limitation of property right

169.1. Property rights may be limited in the cases specified in this Code.

169.2. Every real estate owner, if the digging of wells, the laying of drainage, gas and other lines, as well as overhead and underground electric lines, is absolutely impossible without using his land as far as possible due to excessively high costs, on the condition that the compensation for the damage caused in this case is fully paid in advance must allow the implementation of those measures.

169.3. The owner of the encumbered plot of land has the right to fair consideration of his interests. In cases where overhead lines are laid, if emergency circumstances warrant, he may demand that a reasonable amount of land covered by that line be set aside for full payment.

169.4. If circumstances change, the owner may request that the line be drawn in his interest. The cost of removal shall be borne by the discretionary person, but where special circumstances warrant, a reasonable portion of the cost may be charged to the owner's account.

170.1. Each plot of land or other immovable property, which can cause bilateral e considered the plot or property of the neighbor.

170.2. Owners of neighboring plots of land or other immovable property, in addition to the and duties provided by law, must respect each other. Everyone who exercises his right to prope refrain from all kinds of undue influence on the property of his neighbor. In particular, the illeg of exhaust gases, dust, strong odors, noise or vibrations are prohibited due to the posit characteristics of all damaged and land plots.

170.3. No one is allowed to change the natural flow of water to the detriment of the neigh water required for the lower soil area can be discharged in the volume required for the upper : When the water flows, the owner of the land located below must take the water that previou naturally to him without compensation. If it is damaged as a result of the release of water, it can that the upper owner builds a drain from the lower land area at his own expense.

170.4. It is not permissible to reduce the amount of water or to deteriorate the quality of other land areas by changing the direction of waste and groundwater flowing from several land mixing them.

Article 171. The duty to tolerate the neighbor's influence

171.1. The owner of a plot of land or other immovable property, if the use of his plot is not l or his right is violated to an insignificant extent, the gas, steam, smell, soot, smoke, noi vibrations or other similar factors from the neighboring plot to his plot. cannot prohibit its influe

171.2. The same rule applies in cases where the impact is significant, but is caused by the use of other land or other immovable property and cannot be prevented by measures considere economic activity for that type of users.

171.3. If the owner is obliged to tolerate such an impact, he can demand appropriate comp in the form of money from the owner of the land plot or other immovable property that ca impact, in cases where the impact is higher than the normal use approved for that area and econ permissible limits.

Article 172. Damage caused by the owner through excavations and construction works

172.1. While carrying out excavation and construction works, the owner is not allowed to or endanger neighboring plots of land by digging up the soil or damage the facilities on those pl

172.2. The owner of the plot of land may demand the prohibition of construction or ope such facilities in the neighboring plot, which unacceptably encroach on the right to use the plot c

172.3. If the owner of a plot of land indiscriminately violates the boundaries of a neighbo during construction, the owner of that plot must tolerate the violation, unless the violation is p before or as soon as the violation is discovered. The trespassing neighbor must pay n compensation and pay it every year thereafter.

172.4. The regulations on projecting buildings are applied to buildings that violate the guid the neighborhood law.

173.1. Buildings and other facilities with protrusions that move to other real estate remain on the real estate on which they are located, provided that the owner of that property has the property to them. The neighbor can either object to the superstructure, or reconcile with it and reasonable compensation.

173.2. The right to superstructure can be registered as an easement in the state register of real estate.

173.3. If the superstructure is unfounded and the person affected by his right knows about it and does not object in time, the person who erected the superstructure can be given the property right to the superstructure or the ownership right to the land, in cases where the circumstances justify it, but with a reasonable compensation.

173.4. If there is a danger of the building falling from the neighboring area and falling onto the land, the owner may require the neighbor to take necessary measures to prevent that danger.

Article 174. Protruding plants

174.1. If overhanging branches and roots cause damage to the neighbor's property and are removed within a reasonable time on his complaint, he may cut and retain such branches and roots on his land.

174.2. When the fruit of a tree or bush falls on the neighbor's land, it is considered the fruit of the land on which it falls.

174.3. If the owner allows the presence of overhanging branches on the plots of land with buildings and superstructures, he is entitled to the fruits growing on those branches. These instructions also apply to forest plots.

Article 175. Necessary road and passage through the land owned by another person

175.1. If the owner of the plot of land does not have access to the public road, electricity and water supply lines from his land, he can demand that the neighbors provide him with the necessary access by paying the full price. The demand is directed first of all against the neighbor from whom it is more permissible to request the transfer due to ownership and transit relations; then demand is directed to neighbors where the transition is less damaging. Mutual interests must be taken into account when determining the necessary transition.

175.2. Adequate compensation must be paid to the neighbors whose land will be crossed by the necessary road or connecting line. According to the agreement between the parties, the compensation can be given in the form of a one-time payment.

175.3. If the connection lines already existing with the plot of land are canceled as a result of arbitrary actions of the owner, the duty to tolerate the necessary road or connecting line does not disappear.

Article 176. Fencing and zoning of plots of land

176.1. Fencing costs are borne by the owner of the land where the fence is located. If the boundary is drawn between two plots of land with a bar or other device used as a border, it is assumed that the owners of the plots of land have equal rights to use that device and must pay the costs proportionally.

boundary, each of them can use the device in such a way that during the joint use, there is no one to the neighbor.

176.2. The owner of a plot of land may require the owner of a neighboring plot to participate in the construction of a solid dividing line or in the restoration of an existing but collapsed or damaged one. The costs of drawing a border are divided equally between two neighbors, unless otherwise determined by agreement. As long as one of the neighbors has an interest in the presence of the device, it cannot be blown or changed without his consent.

176.3. If it is not possible to define the exact boundaries, the actual ownership of the neighboring plot is decisive for demarcation. If the actual ownership cannot be determined, the disputed area is divided equally among the plots. If such division leads to unfair results, the court determines the boundaries by the application of one of the parties.

Article 177. Lost animals and things

If, as a result of a natural disaster or accidental events, things fall onto someone else's land or animals, except wild animals, move into someone else's territory, the owner of that land must authorize a person to come after them and take them. In this case, he can claim compensation for damage and has the right to keep those things.

Chapter 9.

Acquisition and Loss of Ownership

§ 1. Acquisition of ownership rights to immovable objects

Article 178. Acquisition of ownership rights to immovable property

178.1. The right of ownership of immovable property is transferred to the acquirer from the moment its transfer is registered in the state register of immovable property *on the basis established by law*. If, in accordance with the law, it is possible to transfer ownership rights over real estate to a person without being registered in the state register, then the person must inform the state register of this. [\[237\]](#)

178.2. The ownership right to newly created immovable property arises from the moment it is registered in the state register of immovable property. [\[238\]](#)

178.3. If a new area is formed as a result of flooding, dispersal or displacement of land, a change in a river bed or level, or otherwise, it is merged with the adjacent land area.

178.4. The movement of land from one plot to another does not change the boundaries of the plots.

178.5. If the owner, who is unreasonably registered in the state register of immovable property without knowing that the registration is unfounded, has owned the plot of land continuously for 10 years, he acquires the ownership of the plot of land.

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n owner. Under the same conditions, this right also belongs to the owner of immovable whose owner is not known from the state register of immovable property or who died 30 year was declared missing at the beginning of the period of acquisition of the property according period of ownership. However, registration should be done only by a court decision after no objection filed or rejected within the officially announced period.

178.7. Abandoned immovable property, as well as public waters and uncultivable land, rocks, high mountains and springs gushing from them, as well as minerals belong to the state.

178.8. *The contractual relationship provided for by Chapter 39 of this Code is formed between the person who wants to acquire the component of the unfinished building and the owner (seller) of the plot of land on which the building is located, and in such relations the owner of the plot of land (seller) the contractor acquires the component of the unfinished building. and the person who wants to do it is considered a customer. At the addition to other obligations, the seller (contractor) must complete the construction of the building at the permission for operation within the period specified in the contract provided for in Article 144-1.4 of this Code the person who wants to acquire the component (customer) must pay the agreed amount to the contractor in installments. is in charge. The change of the owner (seller, contractor) of the plot of land on which the component of the unfinished building is located and (or) the person who wants to acquire the component of that building should not exclude the application of the contractual relations provided for in Chapter 39 of this Code relations between them.* [\[240\]](#)

Article 179. Period of acquisition [KM3](#)

179.1. *Removed.* [\[241\]](#)

179.2. A person based on the period of ownership of immovable property can add to his own period the entire period of ownership of this property by the person to whom he is the legal heir

179.3. The person who owns the property as his own property has the right to prohibit the acquisition of ownership from third parties who are not the owner of the property and who do not have ownership rights to it due to other grounds provided for in this Code or the contract, until he acquires ownership right to the property.

179.4. In connection with the period of acquisition, the ownership right of the person who has acquired the immovable property arises from the moment when this right is registered in the state register of immovable property.

Article 180. Arbitrary construction and its consequences

180.1. A residential house, other structure, facility or other immovable property built on land not allocated for construction purposes or without obtaining the necessary permits or in violation of urban planning and construction norms and rules is considered arbitrary construction

180.2. A person who has built on his own does not acquire ownership rights to it. He does not have the authority to dispose of the building - to sell, donate, lease, or enter into other contracts.

180.3. The right of ownership to independent construction can be recognized by the court if the person who owns the land plot on which the construction was carried out. If the maintenance

and health of individuals, the specified person cannot be recognized as the owner. This is a legal construction.

180.4. Buildings and facilities built on land not allocated for construction purposes or for obtaining necessary permits or in serious violation of urban planning and construction norms may be demolished on the basis of a decision of the relevant executive authorities or a court upon the request of an interested party. [\[242\]](#)

§ 2. Acquisition of ownership rights to movable objects

Article 181. Grounds for acquiring ownership rights to movable objects

181.1. In order to transfer ownership of a movable thing to the acquirer, the owner must first have ownership of the thing to him based on real rights.

181.2. Transfer of the thing is: transfer of the thing to the direct ownership of the acquirer, or to indirect ownership of the thing under the contract, in which case the previous owner can remain the direct owner; transfer by the owner to the transferee of the right to claim possession from the owner.

181.3. A person acquires the right of ownership to the new property prepared or created for him by following the requirements of the legislation. Ownership rights to property, products, and services taken as a result of using the property are obtained on the grounds provided for in Article 135.1 of the Civil Code.

181.4. Ownership of the property can be acquired by another person on the basis of a contract of sale, exchange, donation or other agreement on the alienation of this property. If a person has possessed a movable object as his own property for five years without interruption, he acquires ownership of that object (acquisition period). If the acquirer was in dishonest possession of the object or later found out that the object did not belong to him, the acquisition of the movable object is not allowed. [\[243\]](#)

181.5. *Removed.* [\[244\]](#)

181.6. When a legal entity is reorganized, ownership of the property belonging to it is transferred to the legal entity (legal entities) that is the legal successor of the reorganized legal entity.

181.7. In the cases and procedures provided for in this Code, a person may acquire ownership rights to property without an owner, to property whose owner is unknown, or to property whose owner has refused or lost ownership on other grounds provided by law.

181.8. *Removed.* [\[245\]](#)

Article 182. Honest acquirer

182.1. The acquirer becomes the owner of the thing even if the person who alienates the thing is not its owner, but is a bona fide acquirer of this fact. If the acquirer knew or should have known

182.2. If the owner of a movable object has lost this object, if the object has been stolen from him, if the object has been removed from his possession against his will, or if the acquirer has bought it free, the acquirer of that object cannot be honest. These restrictions do not apply to money, documents, securities and things alienated at the auction. [\[246\]](#)

Article 183. Transfer of ownership through securities

If it is mandatory to give a security instead of handing over the thing in order to transfer ownership to the acquirer, *the ownership of the thing* is considered to be transferred to the acquirer at the moment the ownership of the security is acquired. [\[247\]](#)

Article 184. Acquiring ownership of an abandoned movable object

184.1. If the appropriation of an ownerless movable object is not prohibited by this Code and does not violate the rights of another person who has the right to appropriate it, a person acquires ownership of that object when he takes possession of it.

184.2. If the owner of the movable object is absent or unknown, or if the former owner renounces ownership and terminates ownership of the object, the movable object is considered unowned.

Article 185. Movable thing that the owner refuses

185.1. For the purpose of relinquishing the right of ownership, other persons may find a movable object (abandoned property) that the owner has thrown away or disposed of in another place.

185.2. A person who owns, owns or uses a plot of land, a plot of land or another object, if he finds discarded property or discarded metal scraps, waste product, heaps formed during the extraction of minerals, production waste and other waste, the value of which is obviously lower than 100 manats. if any, he has the right to transfer it to his own property by starting to use that property for his own purposes, taking other actions that indicate that he has transferred the property to his ownership. [\[248\]](#)

185.3. Other discarded property becomes the property of the person who started owning it. If this property is considered unowned by the court upon the application of that person.

Article 186. Discovery

186.1. The person who finds the lost thing must immediately report the find to the person who lost it, its owner, an authorized person or, if the owner is unknown, to the police and hand over the thing to them.

186.2. Except for the cases where the owner of the thing is known to the person who found it, the owner's right to the thing has already been reported to the police, the person who found it acquires the ownership right to the find after a period of one year has passed from the time of its discovery. All other rights to that item are terminated at the same time as ownership is acquired.

186.3. If the authorized person accepts the found object, the person who found it can return it to him.

186.4. If the person who found the item refuses ownership, the competent authority can sell the item at auction after one year or, in the case of a low-value item, expropriate or destroy it at the owner's expense.

186.5. If the find is an animal or a perishable item, or an item that requires a lot of maintenance, the one-year period does not apply and the amount obtained as a result of their alienation is returned to the owner.

Article 187. Treasure

187.1. If it is not possible to determine the owner of a hoard, i.e. money or other thing buried in the ground or hidden in another way, the property (land, building, etc.) in which the hoard is found belongs to the property of the person who discovered the hoard and the person who discovered the hoard, and if they agree separately if the rule is not specified, it is included in equal shares.

187.2. If the hoard is discovered by a person digging or looking for wealth without the consent of the owner of the plot of land or other property where it is hidden, it must be given to the owner of the plot of land or other property.

187.3. If the discovered hoard is property of historical or cultural monuments, it should be considered state property. At this time, the owner of the plot of land or other property where the treasure is hidden and the person who discovered the treasure together have the right to receive a gift of fifty percent of the value of the treasure. If no separate rule is determined by the agreement of these persons, the gift is divided equally among them.

187.4. If such hoard is discovered by a person digging or looking for wealth without the consent of the owner of the property where it is hidden, the gift shall be given to the owner of the property in its entirety.

187.5. The rules of this article do not apply to persons engaged in labor or maintenance duties.

Article 188. Processing

188.1. Unless otherwise stipulated in the contract, the owner of the materials acquires ownership right to the new movable property prepared by the person through the processing of materials that do not belong to him. When the cost of processing is significantly higher than the value of the materials, the person who, acting in good faith, has processed the materials for himself, acquires title to the new property.

188.2. Unless otherwise specified in the contract, the owner who acquires ownership right to the new property made from his own materials must pay the cost of processing to the processor. [\[249\]](#)

188.3. The owner of the materials who lost them as a result of the dishonest actions of the person who processed the materials can demand the transfer of new property to his ownership and compensation for the damage caused to him.

Article 189. Acquisition of property that can be collected by everyone

mission of the owner or local custom, the person who gathers or hunts the property acquires the right of ownership of the corresponding property. .

Article 190. Acquisition of ownership of the land plot

If the manner of attachment of the movable object to the plot of land made it a part of the plot of land in accordance with Article 135.10 of this Code, the owner of the plot of land becomes the owner of the movable object at the same time.

Article 191. Joint ownership of the object resulting from the merger

191.1. When, as a result of the connection of movable objects, they become components of a single object or when movable objects are combined, their previous owners become the owners of the new object. Shares are determined according to the value of those items before the merger.

191.2. If one of the things, according to the established opinion, is considered the main thing, the owner also acquires ownership of the accessories of that thing.

Article 191-1. Claim for damages against the new owner [\[250\]](#)

191-1.1. In accordance with Articles 188, 190 and 191 of this Code, a person who has property or whose rights have been violated in another manner may demand compensation for damage from the person who became the owner. The request to restore the previous situation is unacceptable.

191-1.2. If the new owner acquired the item from a third party on the basis of a real estate contract, the requirement provided for in Article 191-1.1 of this Code does not arise.

Article 192. Uncontrolled animals

192.1. A person who catches cattle or other uncontrolled animals must return them to their owner and if the owner of the animals or their whereabouts is not known, he must inform the police of the animals he discovered no later than three days after he caught them; the police should take measures to trace the owner.

192.2. The person who caught the animals can keep and use them while the owner is searched, or give them to another person for keeping and use. At the request of the person who caught the uncontrolled animals, the police searches for a person who has the necessary conditions to keep them and gives the animals to him.

192.3. The person who catches the uncontrolled animals, as well as the person to whom they are given for keeping and use, must keep the animals properly. If those persons are guilty of harming animals, they are liable to the extent of their value.

192.4. If the owner of unsupervised pets is not found within six months from the notification of seizure or does not declare his right to them, the person who keeps and uses the

192.5. After the animals have been transferred to the ownership of another person, if their owner comes, if there are circumstances proving that the animals remain attached to him demand the return of the animals under the conditions determined by the agreement with owner, and if no agreement is reached, he can demand the return of the animals through court.

192.6. When unsupervised animals are returned to their owners, the person who kept them right to be reimbursed by the owner of the animals for the necessary expenses incurred in connection with their keeping, subject to the deduction of the profit taken as a result of the use of the animal. The person who caught the uncontrolled animals has the right to donation in accordance with Article 192 of this Code.

§ 3. Acquisition of ownership of rights and claims

Article 193. The concept of obtaining ownership of rights and claims

193.1. A claim or right that can be compromised or pledged may be transferred by its own property of another person. Claims and rights are transferred to the new person in the same conditions as the old owner.

193.2. The previous owner must provide the new owner with all the documents in his possession related to the requirements and rights and all the information necessary for the use of the property, requirements and rights.

193.3. Upon request, the previous owner must provide the acquirer with a duly certified document on the waiver of this right and claim. The costs necessary for the approval of this document are borne by the new owner.

Article 194. Concession of demand

194.1. The holder of the claim (creditor) may grant the claim to a third party without the consent of the debtor (grant of the claim), provided that the grant does not contradict the essence of the obligation or his agreement with the debtor or the law. An agreement with the debtor on the inadmissibility of the concession is possible only if the debtor has a legitimate interest.

194.2. The relief of the demand is carried out by the contract concluded between the creditor and the third party, and in such cases the third party takes the place of the first owner. In accordance with the Law of the Republic of Azerbaijan "On Banks", it is not required to amend the contract concluded between the claimant and the debtor. [\[251\]](#)

194.3. Claims that are inextricably linked to the identity of the creditor, including claims for alimony and compensation for damage to life or health, are not allowed to be discounted. [\[252\]](#)

194.4. The relief of the claim based on the contract concluded in simple written or notarial form must be carried out in the appropriate written form. [\[253\]](#)

194.5. The concession of the claim related to the title document security, as well as the mortgage and the establishment of the mortgage right on real estate, is carried out by means of an endorsement on these securities.

Until the debtor is informed about the relief of the claim, he can fulfill his obligations to owner of the claim.

Article 196. The extent of the creditor's concessional claims to another person [\[255\]](#)

If this Code or the contract does not stipulate a different rule, the original creditor's transferred to the new creditor in the amount and conditions that existed at the time of the tr the right. In particular, the rights to enforce the obligation, as well as other rights related to including the right to unpaid interest, are transferred to the new creditor. When the de discounted, the right of pledge and mortgage, as well as the rights on the guarantee given to transferred to the new creditor. The new creditor can exercise the right of preference in relati demand for compulsory execution and bankruptcy.

Article 197. Order of demand owners

If the owner of the claim makes an agreement with several persons about the concessio same claim, *unless otherwise provided by the Law of the Republic of Azerbaijan "On Encumbrance of Property"*, the claim is transferred to the person with whom the owner had previously est relations. If it is not possible to determine this, the claim is transferred to the person about w debtor was previously informed. The same rule applies to future claims. [\[256\]](#)

Article 198. Evidence of new creditor's claims [\[257\]](#)

198.1. The debtor may not perform the obligation to the new creditor until the evidence claim has been transferred to that person is presented to him.

198.2. The creditor, who has granted the claim to another person, is obliged to provide l documents confirming the right to claim and to inform him of the information important realization of the claim.

Article 199. Objections of the debtor against the demands of the new creditor [\[258\]](#)

199.1. At the moment when the debtor receives the notification that the demands on the ol have been reduced to the new creditor, he can raise the objections he has against the original against the new creditor's request.

199.2. If the debtor has submitted a document on the debt obligation, during the concessio request for the presentation of the debt obligation, he cannot refer to the new creditor that ente the obligation relations and their confirmation was done only to create an impression or concession was excluded due to the agreement with the original creditor, but the concessio when the new creditor knows or should know the details of the case

Article 201. Termination of means of security in case of debt - *deleted*. [\[260\]](#)

Article 202. Relief of the claim according to the law, the decision of the court or other co state body

The rules for obtaining the right to ownership of rights and claims are also applied according to the relief of the claim carried out according to the law, the decision of the court or other competent body.

§ 4. Loss of ownership

Article 203. Types of loss of property rights

203.1. When the registration of real estate in the state register is canceled, as well as when the real estate is completely destroyed, the ownership right to the real estate is lost.

203.2. Ownership of a movable object is lost when the owner of the movable object renounces ownership, when the object is destroyed, or when any other person subsequently acquires ownership of the object, regardless of whether ownership is lost or not.

203.3. Compulsory acquisition of property from the owner is not permitted except for the following measures, which are carried out on the basis provided by the legislation:

203.3.1. directing the seizure of liabilities to property;

203.3.2. alienation of property that cannot belong to that person according to the law;

203.3.3. expropriation of real estate in connection with the purchase of the plot;

203.3.4. purchase of cultural resources that are not managed;

203.3.5. rekvizisiya;

203.3.6. confiscation.

203.4. State-owned property is alienated to the property of individuals and legal entities in accordance with the legislation on privatization.

203.5. Expropriation of property owned by individuals and legal entities for the needs of the state and society is carried out according to Part IV of Article 29 of the Constitution of the Republic of Azerbaijan.

Article 204. Renunciation of ownership rights

204.1. In order to relinquish the ownership right or other right to immovable property, it is necessary to submit an application of the authorized person about relinquishing this right and to register that application in the state register of immovable property. The application for relinquishment of ownership right or other right to immovable property becomes binding after it is recorded in the state register.

ership, use and disposal of the property without the intention of retaining any rights to the property.

Article 205. Directing the seizure of the owner's obligations to the property

205.1. Acquisition of property by way of directing the seizure to the property according to the obligations of the owner, unless a separate procedure for directing the seizure is provided for in a contract, is carried out according to *the Law of the Republic of Azerbaijan "On Encumbrance of Property"* or a court decision. [\[261\]](#)

205.2. The owner's ownership right to the seized property is terminated from the moment when the ownership right of the person to whom the acquired property is transferred is created.

Article 206. Termination of a person's ownership right to property that cannot belong to him

206.1. If, on the grounds permitted by the law, a property that cannot belong to him has fallen into the ownership of a person, the owner must expropriate that property within one year from the moment when the right of ownership to the property is established, unless a separate period is determined by the law.

206.2. If the owner does not expropriate the property within the terms specified in Article 206.1 of this Code, such property, taking into account its nature and purpose, shall be compulsorily sold. The sale proceeds shall be given to the former owner, taking into account its nature and purpose, according to the decision issued by the court on the application of the state body, or the value shall be paid to the former owner by transferring it to the state property. At this time, the costs incurred for the alienation of the property are deducted.

206.3. If, on the grounds permitted by the law, property for which a special permission is required to be acquired falls into the ownership of a natural or legal person and the owner is refused the special permission, this property must be alienated in the manner specified for property that cannot belong to that owner.

Article 207. Expropriation of immovable property in connection with the purchase of a plot of land

207.1. In cases where it is not possible to buy that area for state needs without terminating the ownership rights to buildings, facilities or other immovable property on the land area, the state may expropriate this property through purchase. [\[262\]](#)

207.2. *It has been removed.* [\[263\]](#)

Article 208. Purchase of cultural resources that are kept without management

208.1. In accordance with the law, if the owner of the cultural resources, which are included in the list of especially valuable and protected resources by the state, keeps those resources in an unec-

208.2. When buying cultural assets, their value is paid to the owner by agreement of the owner and in case of dispute, the amount is determined by the court.

Article 209. Requisition

209.1. In the event of natural disasters, technological accidents, epidemics and other emergency situations, by the decision of the relevant state authorities, the property can be taken from the owner for the benefit of the society by payment of the cost to the owner in the manner and under the conditions established by law (requisition).

209.2. A person whose property has been requisitioned can request the return of the requisitioned property through a court of law, when the effects of the circumstances used as the basis for requisition cease.

Article 210. Consequences of terminating the right to property by law

When the law of the Republic of Azerbaijan terminating the right of ownership is adopted, compensation for the damage caused to the owner as a result of the adoption of this law, including the value of the property, is paid by the state. Disputes on the compensation of damages are settled in court.

Article 211. Valuation of property upon termination of ownership

When the right of ownership is terminated, the property is valued based on its market value.

Article 212. Confiscation

Confiscation is compulsory and gratuitous confiscation of property by a court decision in the cases provided for in the Criminal Code of the Republic of Azerbaijan and the Code of Administrative Offenses of the Republic of Azerbaijan. [\[264\]](#)

Chapter 10.

Special types of property rights

§ 1. Common property

Article 213. The concept of common property and the basis of its formation

213.1. An object owned by two or more persons belongs to them on the basis of common ownership rights.

213.3. Common ownership of an object is shared ownership, except for cases where joint ownership of the object is provided for in the legislation.

213.4. Common ownership occurs when an item that cannot be divided without change (i.e. indivisible item) or an item that should not be divided according to this Code becomes the property of two or more people. Common ownership of a divisible object arises in the cases provided for in this Code or the contract.

213.5. With the agreement of the joint property participants, and if no agreement is reached, the shared ownership of these persons to the common property can be determined according to the court decision.

213.6. Each owner of common property can make claims against third parties regarding the common property. Each owner of common property can claim the property only for the benefit of the other owners.

213.7. A thing in common ownership can be pledged or otherwise encumbered for the benefit of one of the owners based on an agreement with other owners.

213.8. The costs of maintenance and repair of the common property, unless otherwise specified in this Code or the contract, are borne equally by the owners.

Article 214. Determining shares in shared common property rights

214.1. If the shares of shared property owners cannot be determined according to this Code and have not been determined by agreement of all owners, the shares are considered equal.

214.2. With the agreement of all the owners of the shared property, the procedure for determining and changing their shares can be determined, depending on the contribution each of them has made to the creation and increase of the common property.

214.3. If the owner of the shared property has made additions that improve this property at his own expense by following the established rules of using the common property and those additions can be separated from the property, he has the right to increase his share in the common property accordingly.

214.4. Unless otherwise stipulated by the agreement of the owners of the shared property, additions that improve the common property and are separable become the property of the owner who made them.

Article 215. Ownership, use and disposal of property in shared ownership

215.1. Ownership and use of an object in shared ownership is carried out based on the agreement of all its owners, and in the event that an agreement is not reached, it is carried out in the manner determined by the court.

215.2. The owner of the shared property has the right to transfer the part of the common property corresponding to his share to his own ownership and use, and if this is not possible, he can demand compensation of the corresponding compensation from the other owners who own and use the property below his share.

215.3. Owners of shared common property can agree on the order of ownership and use.

215.3.1. the power to demand the performance of actions on the use of the thing in maintain its value and usability, and in case such actions are not performed, to request the court a decision on their performance;

215.3.2. the power to take measures independently at the expense of all co-owners immediate action to prevent damage that is feared or may happen to the thing.

215.4. Each owner has the right to possess, use and dispose of the thing to the extent co with the rights of the other owners. The consent of all participants is required to alienate or e the object, as well as to change its purpose, provided that they do not unanimously agree on a rule. If there are mortgages on shares in the common property or encumbrances on land p participants cannot encumber the object itself with those rights.

215.5. Disposing of an item in shared ownership is carried out based on the agreement of al of the item.

215.6. The owner of shared ownership can sell, donate, bequeath, mortgage or otherwise d his share; when expropriating it by paying compensation, he must follow the rules provide Code.

Article 216. Profit, yield and income from the use of the shared property

Unless otherwise stipulated by the agreement between the owners, the spring, product and from the use of the shared property shall be part of the common property and shall be di among the owners of the shared property according to their shares.

Article 217. Costs of maintenance of property in shared ownership

217.1. Each owner of a shared property must participate in the payment of taxes, fees a payments for the common property, as well as in the expenses of maintenance and protectio property, according to his share.

217.2. Expenses incurred by one of the owners without necessity and consent of the other shall not be reimbursed by the other owners. Disputes arising at this time are resolved in court.

217.3. With the consent of the majority of the owners, maintenance, repair (restoration) and may be carried out to preserve the value and usability of the item.

217.4. The consent of the majority of the owners representing the majority of the shares in t is necessary for renewal and reconstruction works carried out with the aim of increasing the val object or increasing its profitability and operability. Changes that make the operation or use of for its previous purpose significantly and permanently difficult or useless for one of the par cannot be made without his consent. If the change requires expenses from one of the particip are beyond his means, including expenses that are beyond his means due to the disproportio share to the value of the property, the change can be carried out without his consent only i remaining participants bear the costs of his share, which are more than the amount possible fo there are many, let them take it upon themselves.

217.5. Construction works or other works intended only to improve the external appearan object or to increase the convenience of its use are allowed only with the consent of all owners

participant who did not agree to this, provided that his right to use and dispose of these won permanently restricted and the remaining participants to compensate him only for the restraint and bear his share of the costs.

Article 218. Preferential right to purchase

218.1. When a share in a shared ownership right is sold to a third party, the remaining owners of the shared ownership have the right of preference to buy the sold share at the price at which it was sold and on the basis of other equal conditions, except in the case of an open auction sale. If all the owners of the shared property do not agree to the open auction for the sale of the share in the common ownership right, such auction can be held in the cases provided for in Article 224.2 of this Code.

218.2. The seller of the share must give a written notice to the remaining owners of the shared ownership, indicating the price of the share and other conditions of sale, about the intention to sell the share to a third party. If the remaining owners of shared ownership refuse to purchase the sold real estate ownership or do not acquire it within 45 days from the date of notification, and if the seller does not acquire the share in movable property ownership within 15 days, the seller may sell his share to any person.

218.3. If the share is sold in violation of the preemptive right to purchase, any other participant in the shared ownership has the right within three months to demand the transfer of *the buyer's rights and duties to him in a court of law.* [\[265\]](#)

218.4. It is not allowed to discount the preemptive right in buying the share.

218.5. The rules of this article are also applied in the case of expropriation based on an exchange agreement.

Article 219. The moment of the transfer of the share in the common ownership right to the acquirer under the contract

219.1. The share in common property rights is transferred to the acquirer under the contract at the moment of conclusion of the contract, unless a separate time is stipulated in the agreement between the parties.

219.2. The rights it gives rise to are determined from the moment of the transfer of the share in the common property right under the contract, which must be state registered.

Article 220. Division of an object in shared ownership and separation of a share from it

220.1. An object in shared ownership can be divided between the owners according to the agreement between them.

220.2. The owner of the shared property can request the separation of his share.

220.3. If the owners of the shared property cannot agree on the method and conditions of the division of the common property or allocating a share from it, the owner of the shared property can demand the separation of his share in kind in court. If it does not allow the share to be divided in kind, or if

220.4. According to this article, the disproportionality of the thing allocated to the owner of ownership in kind to his share in the ownership right is eliminated by payment of the corresponding amount of money or other compensation. Instead of allocating a share in kind to the owner of the ownership, it is allowed to pay compensation by the remaining owners with his consent. If the share is insignificant, cannot be separated in real terms, and if he does not have a significant interest in using the common property, the court may impose the duty of compensation on the remaining participants of the shared property, even without the consent of the owner.

220.5. The owner loses the right to a share in the common property from the moment he receives compensation according to this article.

220.6. If it is clearly inappropriate to divide the common property or allocate a share according to the rules defined in Articles 220.3-220.5 of this Code, the court may make a decision on the sale of the property at an open auction and the distribution of the sale money among the owners of the common property in proportion to their shares.

Article 221. Termination of shared ownership rights

Common shared ownership rights are terminated by physical division, voluntary sale or division of the sale proceeds, or by registering the entire item in the name of one of the participants and transferring it to the remaining participants. If the participants do not agree on the termination of the right, the item is physically divided by court order, and if this is not possible without a significant decrease in the value of the item, it is sold at a public auction or an open auction among the participants. Physical distribution can be combined with monetary compensation for unequal shares.

Article 222. Ownership, use and disposal of jointly owned property

222.1. The participants of the community, which became the basis for the formation of the common property, are the owners of the joint property. If the agreement between the owners of the joint property does not stipulate a different rule, they jointly own and use the common property.

222.2. Disposition of jointly owned property is carried out with the consent of all owners, unless otherwise provided. Consent is assumed regardless of which of the owners signed the agreement on disposal of the property.

222.3. Each owner of the joint property, unless otherwise determined by the agreement between the owners, can enter into agreements on the disposal of the common property. The agreement concluded by one of the owners of the joint property in connection with the disposal of the common property can be invalidated at the request of the remaining participants based on the considerations of the law, but not on the necessary powers of that owner only if it is proven that the other party to the agreement knew or should have known about it.

222.4. If the other owners of the co-ownership do not agree, the debtor cannot offset his debt against the co-owner separately.

Article 223. Termination of the right of joint ownership, division of the jointly owned property and allotment thereof

223.2. The division of the common property by the owners of the joint property or the allocation of the share of one of them can be carried out after determining the share of each of the owners in a common property.

223.3. When dividing the common property and allocating shares, the shares of the owners are considered equal, unless otherwise stipulated in their agreement.

223.4. The basis and procedure for dividing the common property and allocating shares are determined according to the provisions of Article 220 of this Code.

Article 224. Directing of holding shares in common property

224.1. If the other property of the owner of shared or joint property is not sufficient, his share may demand the separation of that share in order to direct the seizure to the debtor's share of the common property.

224.2. If it is not possible to separate the share in kind, or if the remaining participants of the common or joint ownership object to it, the creditor has the right to demand that the debtor sell his share at market price to the remaining participants of the common property and use the proceeds from the sale to pay off the debt. If the remaining owners of the common property refuse to buy the debtor's share, the creditor has the right to demand in court that the seizure be directed to the debtor's share of the common property right by selling it at a public auction. *If the debtor's share in the common property right is the subject of a mortgage, the allocation of that share is carried out in accordance with the Law of the Republic of Armenia "On Mortgages".* [\[266\]](#)

Article 225. Common property of husband and wife

225.1. The property acquired by the husband and wife during the marriage is their common property, unless otherwise stipulated in the marriage contract or the agreement between them.

225.2. The property belonging to each of the spouses before marriage, as well as the property received by one of them as a gift or by way of inheritance during marriage, is his property.

225.3. With the exception of jewels and other jewelry, the property (clothes, shoes, etc.) for use is considered the property of the wife (husband) who used it, even if it was acquired at the expense of the common funds of the husband and wife during the marriage.

225.4. The property of each of the spouses can be considered their joint property if, during marriage, funds were invested that significantly increased the value of that property (reconstruction, equipping with new equipment, etc.) be determined. If a separate rule is provided in the marriage contract or the agreement between husband and wife, this rule does not apply.

225.5. Detention of the husband's (wife's) obligations may be directed to the property of the husband (wife), as well as his share in the common property of the husband and wife, provided that no separate rule is provided in the marriage contract.

225.6. An agreement on the right registered in the state register of immovable property with the consent of the husband (wife) who has a joint right to immovable property is considered invalid if the acquirer is in good faith that such right belongs only to the contracting party to the contract knew or should have known that the contract was invalid, the acquirer

§ 2. Ownership right to the component part of the residential building

Article 226. Definition of ownership right to a component of a residential building

226.1. Ownership of a part of a residential building is a right to shared real estate, that is, it has a special right to use certain parts of the building exclusively and to carry out decorative finishing works in them. The owner of a component of a residential building is free to manage, decorate his rooms, but he must not impede the exercise of the same rights by another such owner and must not damage the common building elements, fixtures or impair their function or appearance; he shall maintain his rooms in such a manner as is required to keep the entire building in good condition to maintain its good appearance.

226.2. The owner of the part of the residential building exercises the ownership, use and rights of the living room belonging to him in accordance with the purpose of the room.

226.3. The owner of the part of the residential building can rent it on the basis of the contract.

226.4. It is not allowed to place industrial products in residential buildings.

Article 227. Common property of the owners of the constituent parts of the residential building

227.1. Common rooms, support structures, mechanical, electrical, sanitary-technical and other equipment of a residential building located outside the apartment or inside the apartment, serving more than one apartment, as well as the land on which it is located, belong to the owners of the component parts of the residential building with the right of shared ownership. [\[268\]](#)

227.2. The owner of an integral part of a residential building does not have the right to alienate his share of the ownership right to the common property of the residential building, as well as to perform other actions that lead to the transfer of that share to the integral part of the residential building separately from the ownership right.

Article 228. The right to use the component part of the residential building

228.1. The family members and other persons of the owner of the component of the residential building have the right to use the residential building under the condition that this right is registered in the state register of real estate.

228.2. The formation, implementation conditions and termination of the right to use the component part of the residential building are determined by a written agreement concluded with the owner and confirmed by a notary. In the absence of an agreement on the termination of the right to use a part of the residential building, this right may be terminated by providing appropriate compensation at the market price based on the owner's request in a court of law. [KM1](#)

228.3. The right to use a part of a residential building cannot be an independent subject of purchase, sale, mortgage or lease. A person who has the right to use a part of a residential building can request

t to use the residential room gives a notarized commitment to relinquish the ownership right, the transfer of that right is an exception.

228.5. The family members (husband, wife, parents, children) of the owner of the part of the residential building, who live with him, have the right to use the residential area together with his family members. The family members of the owner of the component part of the residential building have the right to use the part of the residential building with their minor children to that residential building. Transfer of other family members (husband, wife, parents, children) to that residential building is allowed only with the consent of the owner. The right of those persons to use the part of the residential building is preserved even if the family relationship with the owner is terminated. The right of the owner's family members to use the part of the residential building comes into force from the entry into force of this code. [KM \[269\]](#)

Article 229. Meeting of the owners of the constituent parts of the residential building

229.1. The collection of individual owners of the constituent parts of the residential building constitutes the non-legal entity assembly of the constituent parts of the residential building.

229.2. It is inadmissible to demand the cancellation of the meeting of the owners of the constituent parts of the residential building.

Article 230. Units of residential building components

Individual components of a residential building or their sections may be subject to special use. Such parts and units shall be enclosed as apartments or as room units for business or other purposes. Such units shall have their own entrance, but may contain separate utility rooms. Such units are hereinafter referred to as "residential building component units".

Article 231. Rights of the owners of the constituent parts of the residential building in common ownership

231.1. If no special right is registered in the state register of real estate in favor of a specific owner of a component of a residential building, the following objects and rights are the common property of the owners of the component parts of the residential building:

231.1.1. the right of inheritance to the construction that will be the basis for the construction of the residential building and buildings;

231.1.2. construction elements that are important for the construction, structural strength of the rooms of the residential building and other owners of its constituent parts and the appearance and appearance of the building;

231.1.3. facilities intended to service the use of their premises by other such owners.

231.2. other building constructions of the building may be declared joint construction with the subsequent agreement of the owners of the constituent parts of the residential building. If this is not done, it is likely that they are attributed to special rights.

The owner of an integral part of a residential building has acquired its share from another owner of an integral part of the residential building or has given such preferential right to someone else through a subsequent agreement and has a security record in his favor in the state register of immovable property. In the same way, it can be determined that the expropriation of a part of a residential building, charging the right of use or the right of housing, as well as renting it out, has legal force only if the relevant owners of the part of the residential building have made a relevant decision and from the moment they are informed. Do not object to it within 14 days. If the objection is made without a valid basis, it is not valid. While considering such an objection, the court issues an order on the request of the objector to satisfy his claim. [\[270\]](#)

Article 233. Registration of the ownership right to the component part of the residential building

233.1. The ownership right to the component of the residential building is determined by the registration in the state register of real estate. Registration may be requested based on:

233.1.1. agreement on formalization of owners' shares in ownership rights to the residential building;

233.1.2. the application of the real estate owner or the owner of the independent and pre-emptive construction right on the creation of shares of such property and their formalization into the ownership right of the residential building.

233.2. In order for the agreement to be valid, it must be notarized or, if there is a written agreement on the division of inheritance, in the appropriate form.

233.3. Apart from the territorial division, the share of each component of the residential building must be specified as one hundredth or one thousandth of the real estate or construction right in the justification of the ownership right to the component of the residential building. To change the size of the shares, the consent and permission of the meeting of the owners of the constituent parts of the residential building is required; however, each owner shall have the right to amend if the ownership share has been incorrectly determined or is incorrect as a result of construction changes in the building perimeter.

Article 234. Termination of the right of ownership to the component of the residential building

The ownership right to the component of the residential building is terminated by the destruction of the real estate or construction right and by the entry in the state register of the real estate that the residential building has been destroyed to the extent of more than half its value and the owner is unable to reconstruct the building without incurring almost intolerable encumbrances for himself, any owner of a component part of a residential building may be required to terminate his title, but if the owners of the component parts of the residential building intend to continue ownership in common, they can prevent the termination of the right by paying a penalty to the remaining owners.

Article 235. Joint management expenses

235.1.1. expenses incurred for the maintenance, current repair and renewal of common parts of the land plot and residential building, as well as joint constructions and facilities;

235.1.2. expenses incurred for management activities, including the payment of fees to the administrator;

235.1.3. fees and taxes levied on the owners of the constituent parts of the residential building as a whole.

235.2. if certain building constructions and facilities used jointly do not serve separate components of the property or serve to an insignificant extent, this should be taken into account in the distribution of costs.

235.3. If any owner of a component of a residential building does not pay the fees for a component within three years, the meeting of owners of the components of a residential building:

235.3.1. has the right to register a mortgage for his share in ownership of the constituent parts of a residential building. Registration of the mortgage may be requested by the administrator or, if not appointed, by the decision of the majority or by the court, any of the owners of the constituent parts of the residential building and the creditor against whom unpaid fees are given as security;

235.3.2. the component part of the residential building has the right to pledge the movable property in the owner's rooms and intended for their equipment and use.

Article 236. Powers of the meeting of the owners of the constituent parts of the residential building

236.1. The assembly of owners of the constituent parts of the residential building acquires on its own behalf the property arising from its management activities, including the demand for payment of fees, and the cash generated from the fees, for example, the renovation fund. The assembly of the owners of the constituent parts of the residential building can file a lawsuit on its own behalf and execute the judgment, and can be responsible for the location of the object.

236.2. In addition to the powers specified in this Code, the assembly of owners of the constituent parts of the residential building has the following powers:

236.2.1. to resolve all management issues not attributed to the authority of the administrator or the meeting of the owners of the constituent parts of the residential building;

236.2.2. to appoint an administrator and supervise his activities;

236.2.3. choosing the commission or representative that can be assigned to solve management issues, including advising the manager, checking his management activities, reporting to the assembly and submitting applications;

236.2.4. to authorize annual cost estimates, calculation and distribution of costs among owners;

236.2.5. to make a decision on the creation of a renewal fund for maintenance and renewal of the building;

236.2.6. to insure the building against fire and other hazards, as well as liability.

236.3. If an administrator is appointed and no separate resolution is adopted, the administrator calls and conducts the meeting of the owners of the constituent parts of the residential building. If an administrator is not appointed, or if he refuses to be appointed, the meeting may be called by any owner (or any combination of owners) representing at least 10 percent of the total value of the residential building. The chairperson is elected by a simple majority at the meeting. A protocol is drawn up of the meeting decisions. The minutes must be kept by the manager or the presiding owner of the component.

236.4. If the component of the residential building belongs to several people together, they have only one vote. They give this vote through their representative. The owner and the usufructuary component unit of the residential building must also agree on the exercise of the right to vote; if the usufructuary is deemed to have the right to vote in all matters of management, except for construction measures which are merely useful or directed to the creation of ornaments or conveyances.

236.5. The meeting of the owners of the constituent parts of the residential building has the right to make decisions if at the same time half of the owners who own half of the shares, but at least two of them, are present or represented at the meeting. In the absence of a quorum, the meeting is convened a second time, and it must be held at least ten days after the first meeting. The second meeting has the right to make decisions if one-third of all owners of the constituent parts of the residential building, but at least two of them, participate or are represented at the meeting.

236.6. If the meeting of the owners of the constituent parts of the residential building does not appoint an administrator, any owner of the constituent parts of the residential building may request that the administrator be appointed by the court. A person who has a substantial interest in it, for example, a mortgagee and an insurer, also has the same right.

236.7. By decision of the meeting, the administrator can be recalled at any time, without prejudice to the claims that he may make for compensation. If the meeting of owners ignores important matters and rejects the recall of the administrator, any owner of the component of the residential building may request his recall within a month. The administrator appointed by the court may not be recalled without the consent of the court until the term of his appointment expires.

Article 237. Administrator of the joint ownership of the components of the residential building

237.1. The administrator performs all actions for the management of the joint property in accordance with the instructions of the law and the decisions of the meeting of owners, and takes measures to prevent or eliminate possible damage. It distributes the joint costs and burden among individual owners of the components of the residential building, submits accounts to them, collects and manages cash and uses it for its intended purpose. It monitors the observance of the law and the rules of living in the house during the exercise of special rights, the use of common parts of the land in the residential building, as well as common facilities.

237.2. The manager represents all the owners of the constituent parts of the residential building as well as the individual owners, in all cases included in the scope of his legal duties in the field of property management. In order to conduct legal proceedings initiated by himself or the other owners, he has the authority, in addition to the order to secure the claim, the authority given in advance by the meeting of owners. Applications, demands, court decisions and orders addressed to the owners of the constituent parts of the residential building as a whole can be delivered to the manager at his place of residence or at the place where the object is located, and they take effect from that moment.

§ 3. Characteristics of land ownership

Article 238. Land as an object of property rights

ster of real estate.

238.2. Unless otherwise specified by law, the ownership right to a plot of land also applies to the surface (soil) layer and closed wetlands, forests and plants located within the borders of that plot.

238.3. The owner of the plot of land can use everything above and below the plot, unless otherwise provided by law and does not violate the rights of other persons. Unless otherwise provided by law, the subsoil and minerals are the property of the Republic of Azerbaijan.

238.4. Agricultural and other land plots, whose use for other purposes is prohibited or restricted, are determined by law.

Article 239. Release to the plot of land

239.1. Individuals can freely use the natural objects in those areas within the limits allowed by law and the owner of the respective land, without obtaining any permission, in the land areas of the state and municipalities, which are open to everyone.

239.2. It is not allowed to enter the plot of land owned by a natural or legal person without the permission of its owner, except for cases provided by law.

Article 240. Construction on land

240.1. The owner of the plot of land may erect, rebuild or demolish buildings and facilities on his site, and may permit other persons to construct on his site, provided that he complies with the requirements and rules of urban planning and construction, as well as the requirements related to the design of the plot of land.

240.2. The owner of the plot of land acquires ownership rights to the building, equipment and other immovable property erected or created on the plot belonging to him. [\[271\]](#)

240.3. The consequences of the owner's arbitrary construction on his own land are determined by Article 180 of this Code.

Article 241. Grounds for obtaining the right to use land

241.1. The owner of the plot of land can give it to other people for use, including rent.

241.2. The right to use land owned by the state or municipality is granted to individuals and legal entities based on the decision of the state body or local self-government body authorized to use land in this way, in accordance with the law.

241.3. In the cases provided for in Article 243 of this Code, the owner of the building, facility or other immovable property can acquire the right to use the land.

241.4. When a legal entity is reorganized, the right to use the land belonging to it is transferred to its legal successor.

Article 242. Land ownership and use

242.2. A person who has been given a plot of land for his use can rent or use this plot for his own purposes with the consent of its owner.

Article 243. The right of the real estate owner to use the land

243.1. The owner of the real estate on the land belonging to another person has the right to use any part of the land on which the property is located.

243.2. When the ownership right to real estate located on another land is transferred to another person, he gets the right to use the corresponding part of the land under the same conditions and to the same extent as the previous owner of the real estate. The transfer of the ownership right to the land to another person is not a basis for the termination or change of the right to use the plot of land of the owner of the immovable property located on that plot of land.

243.3. The owner of the immovable property located on another's land has the right of ownership, use and disposal of that property, as well as the right to demolish the relevant buildings and other immovable property built by the user of the plot of land.
[\[273\]](#)

Article 244. Consequences of terminating the right to use land

If the contract between the owner of the plot of land and the user of the land does not provide otherwise, when the right to use the plot of land is terminated, the ownership right to the buildings, structures, facilities and other immovable property built by the user of the plot of land is transferred to the owner of the plot of land.

Article 245. Transfer of the right to the land when the buildings or facilities on the land are expropriated

When the ownership rights to a building or facility located on the land belonging to another person and the ownership rights to the land are transferred, the rights to the land determined by the agreement of the parties to the transfer are transferred to the acquirer of the building (facility). The part of the plot of land where the building (installation) is located and necessary for its use is transferred to the person who acquires the ownership right.
[\[274\]](#)

Article 246. Acquisition of land for state needs [\[275\]](#)

246.1. In accordance with Article 157.9 of this Code, the decision on the acquisition of land for state needs is made by the relevant executive authority in the manner established by the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs".

246.2. The decision of the relevant executive authority on the purchase of land for state needs must be registered in the state register of real estate.

246.3. The relevant executive authority that has made a decision on land acquisition must

Authority shall carry out the following within 90 (ninety) calendar days:

246.4.1. pays the owner the full value of the land;

246.4.2. takes the necessary measures at his own expense for the transfer (transfer) of land rights to the state;

246.4.3. if the sold land is the residence of the owner and his family, after the full payment of land value to the owner, in accordance with Chapter V of the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", it helps the owner to vacate the land and move to a new residence.

246.5. The provisions of Articles 246-249 of this Code apply to the land acquired for state needs as well as to the things located or not located on that land, which are firmly connected to the land acquired for the same purposes (inseparable from it). [\[276\]](#)

246.6. In cases where land acquisition is considered to be a refusal, acquisition of the land that was the object of the rejected acquisition cannot be resumed for at least 3 (three) years.

246.7. Acquisition of land for state needs, rules for calculation and payment of the compensation amount, as well as other relations between the parties in this field are regulated by the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs".

Article 247. Compensation to persons affected by acquisition of land or rights to land [\[277\]](#)

247.1. According to the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", the amount of compensation for acquired land is calculated by the following methods:

247.1.1. determining the market price of the land;

247.1.2. determination of restoration price if there is no land market in the area where the purchased land is located for the fair determination of the land price based on the market price, existing land market is not sufficient to determine the real market price, or if other land is given in exchange for the purchased land.

247.2. According to the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", the following factors are taken into account when determining the amount of compensation for any land to be acquired for state needs:

247.2.1. the compensation to be paid to the claimants shall be based on the principle of equality of property, means of livelihood, income, and standard of living of all persons who are required to leave their land and relocate to another place and who suffer loss and inconvenience as a result thereof a reasonable time after the occurrence of the damage and inconvenience to which they have been subjected, to be restored in terms of not falling into unfavorable conditions from the conditions existing before relocation;

247.2.2. current inflation when assessing the compensation to be paid;

247.2.3. the market price of the land (building) determined according to the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs";

247.2.4. in cases where a certain part of the land is taken from the person affected by the acquisition, the damage that may be caused to the person as a result of the separation of the land from the retained (not acquired) land of that person;

247.2.6. if, as a result of the purchase, the person is forced to change the place of entrepreneurial activity, or place of work, all expenses and losses resulting from such relocation.

247.3. According to the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", the following factors are not taken into account when determining the amount of compensation acquired for state needs:

247.3.1. the degree of urgency leading to the purchase;

247.3.2. refusal of the person affected by the acquisition to leave the land;

247.3.3. decrease in the price of the land that may result from its future use;

247.3.4. the increase in the price of the land that may result from its future use;

247.3.5. reconstruction spent on the land acquired after the date of enumeration in accordance with the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", except for the investment in the reconstruction necessary to maintain any building on the acquired land in its original condition and for the continuous cultivation of crops on the land for agricultural purposes; and other additions.

247.4. Compensation for land acquired for state needs is paid in the following forms:

247.4.1. a plot of land with a quality, size and production potential comparable to the lost land;

247.4.2. a residential area or structure of comparable quality, size and usability to the residential area or structure;

247.4.3. in case of loss of agricultural land, plants and seeds for use on agricultural land in accordance with the land stipulated in the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs";

247.4.4. Guarantees related to property in general use defined in the Law of the Republic of Azerbaijan "On the purchase of land for state needs";

247.4.5. a lump sum payment of a specified amount in accordance with the provisions of this chapter for loss of land and other capital;

247.4.6. payments for a specified period to provide or replace income that has been reduced as a result of relocation;

247.4.7. a regular supply of food products over a period of time in lieu of food products obtained from the lost land or lost income previously used to obtain such food products;

247.4.8. providing training to those affected by the acquisition to acquire jobs in order to re-employment opportunities lost as a result of displacement, by inculcating new habits or using job opportunities created by the land acquisition project;

247.4.9. other forms of compensation determined or agreed between the persons affected by the acquisition and the acquiring authority.

247.5. The person affected by the acquisition may choose one or more types of compensation to be paid to him.

Article 248. Court confirmation [\[278\]](#)

248.1. Acquisition of ownership of the acquired land from the person affected by the acquisition shall be carried out only after the relevant decision has been made by the court.

248.2. An application to the court for the territorial unit in which the acquired land is located shall be filed by the person affected by the acquisition.

248.2.2. that the ownership of the acquired land is obtained in accordance with the requirements of the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs";

248.2.3. the type and amount of compensation to be paid to those affected by the takeover.

248.3. An affected person contesting the acquisition of his land, the acquisition of ownership of the land, or the proposed compensation may file an application in court on one or more of the following grounds:

248.3.1. that the acquisition of the land contradicts the requirements of the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs";

248.3.2. that the land is not necessary for the implementation of the project;

248.3.3. that the compensation offered is not fair;

248.3.4. lack of appropriate authority of the recipient body;

248.3.5. Non-observance of procedures established by the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs" or non-observance of correct and fair procedures.

248.4. No costs, payments, or other financial requirements may be imposed or charged on a person affected by the acquisition in connection with any actions required to complete the acquisition procedures.

Article 249. Legal force of the decision on land acquisition [\[279\]](#)

249.1. From the date of adoption of the decision on land acquisition:

249.1.1. that land is known as acquired land;

249.1.2. persons listed under the Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs" living on the purchased land or using it are considered to be affected by the purchase;

249.1.3. the acquiring body is obliged to perform the required measures related to the acquisition of the acquired land;

249.1.4. in cases where a resettlement plan and (or) instructions are required, the acquiring authority undertakes to ensure that they are prepared in a reasonable time in consultation with the persons affected by the transfer;

249.1.5. the acquiring authority shall review the acquired land and buildings (including urban buildings), crops, plants, all other natural objects and built structures and undertakes to assist the valuation commission in property valuation;

249.1.6. the receiving authority is obliged to pay compensation to the persons affected by the acquisition and to other persons and organizations that will suffer as a result of the acquisition of the land;

249.1.7. the recipient body is obliged to prepare the necessary documents to receive funds

Law of the Republic of Azerbaijan "On Acquisition of Land for State Needs", this right transferred to other persons in accordance with the law, except for the cases where the state acquires any land whose rights have not been acquired and when it is considered a refusal to acquire land.

249.3. The relevant executive power body may take the necessary measures in accordance with legislation for the purpose of stopping the construction (construction works) started on the land after the date of adoption of the decision on land acquisition and (or) demolition of the building.

249.4. The acquiring body is responsible for delivering a copy of the decision on land acquisition and the reference on the legal validity of that decision to the attention of the persons affected by the acquisition.

Chapter 11.

Item usage rights

§ 1. The right of inheritance to construction

Article 250. Definition of the right of inheritance to construction

250.1. A plot of land can be encumbered in such a way that the right to have a building constructed below it belongs to the person to whom the encumbrance is made in favor of the alienated and the right of inheritance to the building is registered in the state register of real estate.

250.2. The right of succession to construction can be applied to the part of the land plot that is necessary for construction, but allows better use of the building.

250.3. *The term of the right of inheritance to construction is determined by the agreement of the parties. It cannot exceed ninety-nine years for privately owned plots of land, and forty-nine years for state and municipally owned lands.* [\[280\]](#)

Article 251. Agreement on the right of inheritance to the building

251.1. The agreement on the right of inheritance to the building is valid if it is notarized.

251.2. Contract provisions on the content and extent of the right to construction, for example, position, form, expansion and purpose of buildings, as well as on the use of areas that have been constructed and can be used for the implementation of that right, are mandatory for every person who acquires the right to inherit the construction. The same rule is valid for the obligation of the person who has the right of inheritance to the construction to give this right to the owner of the real estate when the conditions arise.

Article 252. Termination of the contract on the right of inheritance to the building

252.1. If the agreement on the right of succession to the building is terminated, the

252.2. The right of inheritance to the building is canceled when the period of its granting expires and the parties reach a mutual agreement.

252.3. If the person who has acquired the right of succession to the construction grossly violates the property right or violates his contractual obligations, the owner of the plot of land may demand that the right of succession to the construction be transferred to him along with all the rights and encumbrances arising from it, and achieve premature termination of that right.

252.4. The owner of the plot of land must pay reasonable compensation to the person who has the right of succession to the construction for the buildings transferred to him after the termination of the contract. In case of premature return of the right, the compensation is calculated taking into account the guilty behavior of the subject of the right of inheritance to the construction as a basis for reducing the compensation. The right of succession to the building is transferred to the owner of the plot of land only if the compensation is paid or a pledge is made. This compensation is considered a guarantee for the creditors to whom the right of succession to the construction is given as a condition. Without their consent, compensation cannot be paid to the previous subject of the right of succession to the construction.

252.5. If the compensation is not paid or the pledge is not made, the previous subject of the right of succession to the building or the creditor to whom the right of succession to the building is given as a condition may request that instead of canceling the right of succession to the building, a mortgage of the same rank is registered to satisfy the claim for compensation. Registration must be done no later than three months after the termination of the right to inherit the building.

252.6. Agreements on the amount and determination procedure of the compensation, as well as the cancellation of the duty to provide compensation and restoration of the land plot in the event of its termination, necessary for the justification of the right of inheritance to the construction can be accepted and a *record* can be made in the state register of real estate. [\[281\]](#)

252.7. The destruction of the building does not cause the termination of the right of succession to the building, the person who has the right of succession to the building may refuse it, as a condition which it is terminated.

Article 253. Fee for the right of inheritance to the building

253.1. The owner of the immovable property has the right to receive a fee for the right of succession to the construction.

253.2. The owner can unilaterally terminate the right of inheritance to the building only due to the non-payment of payments within two years.

253.3. In order to ensure the payment of the right of inheritance to the construction, the owner of the plot of land has the right to register the right of pledge for the right of inheritance to the construction. If registered in the state register of real estate in the amount of a maximum of three years' fee for the construction, mutual obligation is not determined in terms of equal annual fees, a legal right may be claimed. The lien of the amount falling on three years in case of equal distribution.

253.4. The lien can be registered at any time during the existence of the right of succession to the building and its cancellation by public auction is not allowed.

The person who has the right of inheritance to the building has the right of priority in purchasing the land plot. The owner of the plot of land has the right of preference in purchasing the succession to the construction.

§ 2. The right to limited use of another's immovable property

I. Servitude

Article 255. Concept of servitude

255.1. Easement is the encumbrance of an immovable object in favor of another immovable owner in such a way that he (the owner of another immovable object) is allowed to use the certain cases or the immovable object owner is allowed to perform certain actions or exercise other arising from the right of ownership. not allowed.

255.2. Encumbrance of an immovable object with servitude does not deprive the owner of the rights of ownership, use, disposal.

255.3. Easement cannot be an independent subject of purchase, sale, mortgage or lease.

255.4. An easement can be assigned to ensure pedestrian and car access, construction and other of electricity, communication lines and pipelines, water supply and reclamation, as well as other of the real estate owner that cannot be provided without an easement.

255.5. The owner has the right to grant an easement to his immovable property at the expense of other immovable property belonging to him.

255.6. The servitude can only take place if it creates the necessary concessions and opportunities for the person who received the servitude to use his real estate.

255.7. The easement is retained when the rights to the immovable object encumbered with easement are transferred to another person.

255.8. An immovable object can be encumbered with an easement in favor of a certain person. This type of encumbrance is called a personal easement and consists in the fact that, apart from the fact that that person can use the building or a part of it as an apartment for himself or his family. A personal easement is not granted to other persons.

Article 256. Registration of servitude

256.1. In order to grant easement, it is necessary to register it in the state register of real estate. Provisions on land ownership apply to acquisition and registration of servitude.

256.2. The agreement on granting easement is valid if it is notarized.

Article 257. Duties of easement parties

257.1. The person who has received the easement (authorized person) can do everything necessary for the maintenance and implementation of the easement, but he must use his right as much as possible.

257.2. The owner of the easement shall not take any action that prevents or complicates the of the easement.

Article 258. Contents of servitude

258.1. The content of the easement includes the term and conditions of the easement. The the real estate burdened with the easement is attached to the contract indicating the locatio easement.

258.2. The content of the easement must be recorded in the registration document in register of real estate.

258.3. In the registration document, the plan of the immovable object subject to the easem be indicated together with the location of the easement.

Article 259. Protection of the rights of the authorized person and the encumbered owner

259.1. If during the implementation of the easement, the freedman encounters obstacle implementation of his rights, he has the same rights as the bona fide owner to eliminate them.

259.2. If during the implementation of the servitude the demand of the freed person immovable property changes, it is not allowed to encumber the encumbered owner.

259.3. If there is a facility for the implementation of the easement, the authorized person n the costs of its maintenance. When the facility is also intended to serve the interests of the enc owner, both of them bear the costs of maintaining the facility in proportion to their interests.

259.4. The encumbered owner may request the transfer of the servitude from one place to taking into account the demand of the freed person, on the condition that he proves his intere transfer and undertakes the costs of the transfer.

Article 260. Consequences of the division of the immovable property of a person with di

260.1. If the real estate subject to the easement is divided, the easement shall be det separately for each divided part. However, this rule can be allowed only on the condition that it worsen the situation of the burdened owner.

260.2. If, as a result of the division of the encumbered real estate, the servitude is applice one of the parts, then the servitude does not affect the part to which the servitude is not applied division.

260.3. All changes made in the easement are recorded in the state register of real estate.

260.4. Employees of the state registry of real estate must inform the authorized person a request to cancel the easement, and if he does not object to it within one month, they must carry cancellation.

Article 261. Fee for servitude

261.1. If the contract does not provide for a separate rule, the owner of the immovable obje

261.2. The amount of the fee is determined by the agreement of the parties, and if it is not to reach an agreement, by the decision of the court.

Article 262. Termination of servitude

262.1. Any kind of servitude is terminated when the encumbered or entrusted real completely destroyed.

262.2. At the request of the burdened owner, the servitude may be terminated due disappearance of the grounds on which it was established.

262.3. If an immovable object belonging to a natural or legal person cannot be used for its purpose as a result of being encumbered with an easement, the owner may request the termination of the easement through a court of law.

262.4. Termination of servitude must be recorded in the state register of immovable property.

262.5. If the owner of the freed real estate becomes the owner of the encumbered real estate, he may terminate the servitude. Until termination, the easement is retained as a property right.

262.6. If all interest in the servitude for the encumbered immovable object has been lost, the owner of the encumbered immovable object may demand its termination. If the owner of the freed real estate still has an interest, but this interest is insignificant compared to the encumbrance, then the easement can be partially or completely replaced in return for compensation.

II. Usufrukt

Article 263. Concept of usufruct

263.1. Usufruct is an encumbrance of an object or rights in such a way that the person in favor of the encumbrance is determined (usufructuary) has the right to use and benefit from the object. Unlike the owner, he does not have the right to pledge, alienate or inherit this object and rights. The usufruct may be limited by exclusion of separate benefits.

263.2. Usufruct can be paid or free.

263.3. Usufruct may be temporary or for the lifetime of the usufructuary.

Article 264. Conditions for granting usufruct

In order to grant usufruct, in the case of movable objects or rights, they must be transferred to the usufructuary, and in the case of immovable objects, it is necessary to register them in the state register of immovable property. When usufruct is granted, the provisions on ownership are valid. The usufruct implies that its components are identifiable.

Article 265. Rights and obligations of the usufructuary

265.1. Before the usufruct, the owner and the usufructuary can describe the condition of the

265.3. The usufructuary has the right to obtain from the object the spring and benefit not as a result of its ordinary economic application. In this case, he is obliged to compensate the owner for the damage caused to the object as a result of such application.

265.4. If the usufructuary has incurred expenses or introduced innovations for which he is not obliged, he can claim compensation for them as a non-commissioned administrator at the return. If the owner does not intend to compensate for the facilities created by him, he may take them back, but he is obliged to restore the thing to its previous condition.

265.5. Usufructuary has the right to own, use and benefit from the thing. It provides contrary to the general rule. When exercising his right, he must act in accordance with the rules of honest economic management. The usufructuary is not responsible for normal wear and tear of the item. He is obliged to pay for the expenses, repair the item, as well as take care of it with normal household maintenance.

265.6. The owner's claims for compensation as a result of the replacement or reduction of the value of the thing, as well as the usufructuary's claims for compensation for expenses or the return of the thing, expire one year after the return of the thing.

265.7. The fruits belong to the usufructuary if they were grown within the framework of the normal economic management of the economy during the usufructuary's discretion.

265.8. Fees and other periodic services on usufruct objects belong to the usufructuary from the beginning of the usufructuary's right to the day when the right of usufructuary is terminated. If their performance period is reached after the termination of the right of usufruct, they belong to the owner.

265.9. If the usufruct has not been granted exclusively to a certain person, the usufructuary may assign it to another person for realization. The owner directly exercises his rights regarding this usufruct.

265.10. The usufructuary is obliged to properly insure the object for the entire period during which the usufruct exists. While the usufruct is valid, the usufructuary must pay the insurance premium for the already insured item.

265.11. If the thing or part of it is destroyed, damaged, or unexpected expenses are necessary for its maintenance, the usufructuary must notify the owner without delay. He must endure the measures taken by the owner to eliminate the negative consequences. The owner is not obliged to take appropriate measures. If the usufructuary carries out these measures himself, when the usufruct ends, he can separate the items he added to the object as a result of those actions and actions, or demand appropriate compensation from the owner for this.

265.12. If the usufructuary alienates separate objects within the normal economic activity, the alienated objects must be replaced by the objects acquired by him.

265.13. The usufructuary is liable for the destruction and loss of value of the object, unless he proves that the damage was not caused by his fault. He must pay for unused and used items. He is obliged to pay for the decrease in the value of the objects due to the correct use of the object.

265.14. The usufructuary of the immovable object must ensure that the immovable object is not used excessively. These overachieved fruits belong to the owner.

265.15. The usufructuary is not allowed to make any changes in the economic purpose of the plot that may cause significant damage to the owner. It cannot significantly change the land area.

265.16. If a different rule is not established, the usufructuary acquires the right of ownership in the things he uses, but he is obliged to pay for their existing value until the right of use comes into force.

266.1. The owner may object to any illegal use or misuse of the item. If the usufructuary ignores the objection, the owner can demand compensation for damages or termination of the usufruct in court.

266.2. If the owner proves that his property or rights are in danger, he can demand a lien on the usufruct. If the subject of the usufruct consists of consumable items or securities, he can demand a guarantee without providing evidence and until the item is delivered. In the case of securities, a deposit is a sufficient guarantee. A claim for obtaining a guarantee cannot be made against a person who has donated the object to the owner while retaining the right to use it.

266.3. If the usufructuary does not provide a pledge within a reasonable period of time set by the court or does not stop the illegal use of the thing despite the objection of the owner, the court shall restore to him the possession of the thing before making a decision.

266.4. The owner and the usufructuary may at any time request the valuation of the item and the expense.

266.5. The usufructuary must himself keep the thing in good condition and independently carry out the improvements and renovations that are normally necessary to keep the thing in good condition. If it is necessary to carry out more complex works or measures for the protection of the object, the usufructuary must inform the owner about this and, if necessary, allow them to be carried out at the owner's expense. If the owner does not do this, the usufructuary can perform those works and measures at the owner's expense.

266.6. The usufructuary shall pay the costs of ordinary storage and economic use, interest, and related debts, as well as taxes and fees according to the period of his discretion. If taxes and debts are collected from the owner, the usufructuary must pay for them in the same amount. All other costs are borne by the owner.

Article 267. Properties of usufruct to the apartment

267.1. Usufruct is the right to own an apartment in a building or a part of it. It cannot be transferred to third parties and is not inherited. Provisions on right of use apply to it.

267.2. The usufruct of the apartment is usually determined by the personal needs of the usufructuary. However, he can take members of his family or those who live with him in the building as usufructuaries. If his apartment, if the owner has not set a direct condition. If the housing right is limited to a part of the building, the usufructuary can use the objects intended for joint use.

267.3. If the usufructuary has an exclusive tenancy right, he bears the costs of ordinary maintenance of the tenement. If he has the right to joint use, the owner bears the costs of maintaining the apartment.

Article 268. Termination of usufruct

268.1. Usufruct is terminated when the object is completely destroyed, when the term of usufruct expires, when the usufructuary renounces the usufruct, as well as in connection with the death of the usufructuary, and in the case of legal entities, in connection with their release.

268.2. When the usufruct expires, the usufructuary is obliged to return the object to the owner.

268.3. If the usufruct falls into the hands of a person together with the property, the usufruct is terminated.

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Chapter 12.

The right to security of goods. Lien and mortgage law

§ 1. General provisions

Article 269. Definition of pledge and mortgage right

269.1. Pledge and mortgage right is the property right of the mortgagor over the mortgaged property, and at the same time it is a method of ensuring the performance of the debtor's mortgaged obligation to the mortgagor. [KMQ 25](#)

269.2. The right of pledge and mortgage consists in the limitation of property rights.

269.3. Pledge is the restriction of property rights to movable objects (other than movable objects that are subject to mortgage). In the cases stipulated by this Code, it is possible to pledge the rights. [\[283\]](#)

269.4. A mortgage is a limitation of property rights to immovable objects, as well as to objects that must be registered in the official register.

269.5. Pledge and mortgage are additional (accessory) property rights of the pledger (debtor) and the pledgee (creditor). [\[283\]](#) [KMQ 25](#)

269.6. The right of lien and mortgage on the thing applies to everything related to the ownership of the thing.

269.7. The creditor (mortgagor and mortgagor) of an obligation secured by pledge or mortgage has the right to pay the other creditors of the person (mortgagor and mortgagor) to whom the item is pledged or mortgaged from the value of the pledged or mortgaged item in case the debtor does not fulfill that obligation with the security in a relatively superior manner.

269.8. According to the principle defined in Article 266.6 of this Code, the pledger (mortgagor) has the right to receive insurance payment for the loss or damage of the pledged or mortgaged item, regardless of whose benefit it is insured, provided that the loss or damage does not occur for reasons for which the pledgee (mortgagor) is responsible.

269.9. The right of lien and mortgage is granted for all things and rights that can be transferred to someone else.

269.10. The right to claim compensation arises when the thing pledged or mortgaged is destroyed or damaged, or when the right pledged to the pledgee (mortgagor) is terminated or this right is extinguished.

269.11. The right of lien and mortgage can be given for both existing and future demand. The demand can be named, warranted or unnamed. It can be a demand both against the pledger (mortgagor) or the owner himself, and against another person. The claim on which the lien or mortgage is granted must be sufficiently clear.

Article 270. Basis of formation of pledge and mortgage

270.2. The rules of this Code on pledges and mortgages formed based on the contract applied to pledges and mortgages formed on other grounds.

Article 271. Pledger (mortgagor)

271.1. The person who pledges the thing (mortgagor) can only be its owner. The legal consequences of obtaining a mortgage (pledge) right from a non-owner are determined in accordance with the provisions of Articles 140 and 182 of this Code. [\[284\]](#)

271.2. The pledger (mortgagor) can be both a debtor and a third party.

271.3. The person who pledges the right can be the person to whom that right belongs.

Article 272. Pledge holder (mortgagor)

A pledge holder (mortgagor) is a person who has the right to pledge or mortgage the property of the pledger on the basis specified in the contract in order to ensure the performance of the monetary or other obligations to him.

Article 273. Inadmissibility of appropriating a pledged or mortgaged item

Any agreement giving the pledgee or mortgagee the right to appropriate the pledged or mortgaged thing is void.

Article 274. Consequences of changing the owner of the pledged or mortgaged item

274.1. *The change of the owner of the mortgaged thing does not change the mortgage right.* [\[285\]](#)

274.2. *Except for the cases specified by the Law of the Republic of Azerbaijan "On Encumbrance of Property", the change of the owner of the pledged object does not change the right of pledge.*

Article 275. Termination of pledge or mortgage right - deleted. [\[286\]](#)

§ 2. Pledge

Article 276. Subject of bail

276.1. Items subject to mortgage, as well as items removed from civil circulation and inextricably linked to the identity of the creditor, including alimony, claims for compensation for damage to life or health, and any other items and claims, with the exception of other rights prescribed by law to be granted to another person, may be subject to bail.

276.2. Indivisible items cannot be pledged in parts.

under the state debt or state-guaranteed debt. [\[287\]](#)

Article 277. Pledge of common property

277.1. An item of common joint ownership can be pledged only with the written consent of all owners.

277.2. Any of the owners of common shared property can pledge their share of the right in common property without the consent of other owners. The rules of this Code on the right of purchase in common property shall be applied when the share is seized and sold at the request of the pledgee.

Article 278. Item to which the right of pledge applies

The pledgee's lien right to the object subject to pledge, unless otherwise stipulated in the contract, also extends to its accessories, as well as to other property provided for in the Law of the Republic of Azerbaijan "On the Encumbrance of Movable Property". [\[288\]](#)

Article 279. Demand secured by collateral

If the contract does not stipulate a different rule, the pledge satisfies the demand of the pledgee to the extent it has at the moment of actual security. This demand also includes interest, compensation for damages caused by delay in execution, as well as the necessary expenses of the pledgee for the preservation and safety of the pledged object and the costs of detention.

Article 280. Pledge agreement

280.1. The pledge agreement must be concluded in writing.

280.2. The pledge agreement must specify the name and place of residence of the parties (if they are), the subject of the pledge, the essence, size (*upper limit*) and execution period of the obligation secured by the pledge. *In the description of the subject of pledge, it can be indicated that it consists of existing or future movable property of the pledger. Such a description may also include a certain type (category) of movable property, receivables or a certain part of them.* [\[289\]](#)

280.3. In the cases provided for in this Code, the pledge agreement must be notarized, and the pledge must be registered with the state.

280.4. Failure to comply with the rules of this article leads to the invalidity of the pledge agreement. Such an agreement is considered irrelevant.

Article 281. Formation of the right of lien

281.1. The right of lien arises from the moment of concluding the pledge agreement, and

Even before the conclusion of the contract, the right of pledge is created at the moment of conclusion.

Article 282. Subsequent pledge

282.1. The mortgaged property can be the subject of another mortgage (subsequent mortgage)

282.2. A subsequent pledge is allowed unless it is prohibited by previous pledge agreement

282.3. *Taking into account the circumstances specified in the Law of the Republic of Azerbaijan "On Encumbrance of Movable Property"*, during the subsequent pledge, the claims of the subsequent pledgee are paid from the value of the subject of pledge after the claims of the previous pledgee are paid.

Article 283. Preservation and safety of pledged property

283.1. Depending on who owns the pledged object, the pledger or pledgee, unless otherwise stipulated in the contract:

283.1.1. must insure the pledged item against the risks of loss and damage at its full value, if the value of the item exceeds the amount of the claim secured by the pledge, in an amount not less than the amount of the claim;

283.1.2. must take measures to ensure the safety of the pledged item, including protection against intentions and demands of third parties;

283.1.3. shall immediately notify the other party when there is a danger of loss or damage to the pledged object.

283.2. The pledgee and the pledger can verify the availability, quantity, condition and location of the pledged item on the other side, based on documents and in actuality.

283.3. The pledger may demand early termination of the pledge if the pledgee grossly violates his duties and creates a risk of loss or damage to the pledged item.

Article 284. Using and disposing of collateral

284.1. If the contract does not stipulate a different rule, the pledger can use the subject of the pledge according to its purpose, including taking interest and income from it.

284.2. Unless otherwise stipulated in the contract, the pledgor may expropriate the subject of the pledge, give it to another person for rent or free use, or make other orders regarding it only with the consent of the pledgee. An agreement limiting the mortgagor's right to bequeath the mortgaged property is irrelevant.

284.3. The pledge holder can use the pledged object given to him only in the cases stipulated in the contract. At the request of the mortgagor, he must report the use. According to the contract, the pledger may be charged with the obligation to collect interest and income from the subject of the pledge for the purpose of payment of the principal obligation or for the interests of the pledgee.

Article 285. Consequences of destruction, loss or damage of the pledged object

285.2. The pledgee shall be liable for the complete or partial destruction, loss or damage of the pledged object, unless he proves that he can be exempted from liability. [\[291\]](#)

285.3. The pledgee shall be liable for the loss of the pledged object in the amount of its value and for its damage, in the amount of the decrease in value, regardless of the value of the pledged object when it was given to him.

285.4. If, as a result of damage, the subject of pledge has changed to such an extent that it cannot be used for its direct purpose, the pledgor may refuse it and demand compensation for its loss. The pledgor may provide for the pledgee's obligation to compensate the pledgor for other damages caused by the loss or damage of the subject of pledge. The pledgor, who is a debtor under the obligation secured by the pledge, may refer the request to the pledgee for compensation for the damage caused as a result of the loss or damage of the subject of the pledge to the payment of the obligation secured by the pledge.

Article 286. Changing the subject of bail

If the contract does not stipulate a different rule, changing the subject of the pledge is allowed with the consent of the pledgee.

Article 287. Restoration and replacement of the subject of pledge

If the subject of pledge is destroyed or damaged or the right to ownership of it is terminated, the pledgor must restore the subject of pledge within a reasonable time or replace it with another object of the same value, unless otherwise stipulated in the contract.

Article 288. Defending the rights of the pledgee to the subject of pledge

288.1. The person who keeps or should keep the pledged object can claim it from the possession of another, including the possession of the pledgor.

288.2. If, according to the terms of the contract, the pledgee is given the right to use the pledged object, he can demand from other persons, including the pledgor, to eliminate all violations of his right, even if these violations are not combined with deprivation of ownership.

Article 289. Retention of the pledge during the transfer of ownership to the pledged object

289.1. *Taking into account Article 274.2 of this Code*, the right of pledge remains in effect if the ownership right to the pledged item is transferred to a person other than the pledgor as a result of the expropriation of that item with or without compensation or in the order of universal legal succession. The legal heir of the mortgagor takes the place of the mortgagor and, unless otherwise stipulated in the agreement with the mortgagor, bears all the obligations of the mortgagor. [\[292\]](#)

289.2. When the object of the pledge, which is the subject of pledge, passes to several persons in the order of legal succession, each of the legal heirs (acquirers of the property) shall bear the consequences arising from the pledge of non-fulfillment of the obligation secured by the pledge.

Article 290. Consequences of compulsory purchase of pledged property

290.1. If the pledger's ownership right to the thing subject to pledge is terminated on the basis of a court decision in accordance with the law, as a result of purchase, requisition or nationalization for state needs, and if the pledger is given another thing and (or) an appropriate replacement, the right of pledge shall apply to the thing given as a replacement, or accordingly, the pledgee has the right to the payment of his claim for the amount of compensation due to the pledgee. [\[293\]](#)

290.2. When the subject of pledge is taken from the pledger in the form of a sanction for committing a crime, or in the form of a sanction for committing a crime, the pledgee has the right to be paid for the thing more than the value of that thing.

290.3. On the basis that the owner of the thing subject to pledge is actually another person, if that thing is bought from the pledger, the pledge on this property is terminated.

290.4. In the cases provided for in this article, the pledgee may demand the early execution of the obligation secured by the pledge.

Article 291. Subrogation of rights under a pledge agreement

291.1. Pledge holder can assign his rights under the pledge agreement to another person, on the basis of the rules of transfer of creditor's rights by way of concession of demand.

291.2. *Removed.* [\[294\]](#)

Article 292. Transfer of debt on a secured obligation

When the debt secured by the pledge is transferred to another person, if the pledger has not consented to the creditor that the new debtor will be liable instead, the pledge is terminated.

Article 293. Premature execution of the obligation secured by a pledge and direct attachment to the pledged property

293.1. In the following cases, the mortgagor may demand early execution of the obligation secured by the pledge:

293.1.1. when the subject of the pledge is removed from the possession of the pledger, who is not responsible in violation of the terms of the pledge agreement;

293.1.2. when the pledger violates the rules of replacement of the subject of pledge;

293.1.3. if the pledger has not used the right provided for in Article 287 of this Code, and if the subject of pledge is lost for reasons for which the pledger is not responsible.

293.2. In the following cases, the mortgagor may request the early performance of the obligation secured by the pledge, and if the request is not fulfilled, he may direct the seizure to the object of the pledge:

293.2.1. when the mortgagor violates the rule of the subsequent pledge;

Article 294. Termination of pledge

294.1. The pledge is terminated in the following cases:

294.1.1. when the obligation secured by collateral is terminated;

294.1.2. at the request of the pledger if there are grounds provided for in Article 283.3 of this Code;

294.1.3. if the pledger has not exercised the right provided for in Article 288.2 of this Code or the pledged item is destroyed or the pledged right is terminated;

294.1.4. when the *mortgaged* property is sold at public auction. [\[295\]](#)

294.2. If the pledge is terminated as a result of the performance of the obligation secured by the pledge or at the request of the pledger, the pledgee who has kept the pledged item is obliged to immediately return it to the pledger.

Article 295. Grounds for seizure of the pledged object

Seizure for the satisfaction of the pledge holder's (creditor's) claims may be directed to the pledged object if the debtor does not perform or improperly performs the obligation secured by the pledge for reasons for which he is responsible.

Article 296. The procedure for directing the seizure of the pledged object

296.1. Payment of the pledgee's claim without recourse to the court is allowed on the basis of a notarized agreement between the pledgee and the pledger. According to the claim of the pledgee, if the rights have been violated by such an agreement, the court may invalidate that agreement. In the absence of such an agreement, the payment of the mortgagee's (creditor's) demand from the value of the pledged object is carried out by the court's decision. *The transfer of seizure to the object of encumbrance, to which Article 295 of the Law of the Republic of Azerbaijan on encumbrance of movable property applies, is carried out in the manner established by that Law.* [\[296\]](#)

296.2. Seizure of the subject of bail may be directed *only by court decision in the following cases:*

296.2.1. when the consent and permission of another person is required to conclude a contract or agreement;

296.2.2. when the subject of pledge is an important historical, artistic or cultural item for the Republic of Azerbaijan.

Article 297. Realization (sale) of the pledged item

The pledged item can be sold at an auction (open auction) or by any method in the cases specified by Article 296 of the Law of the Republic of Azerbaijan "On Encumbrance of Movable Property". [\[298\]](#)

Article 298. Distribution of the amount taken from the sale of the pledged item

298.1.2. To pay the claims that have a superior right in the cases and in the manner determined by the Republic of Azerbaijan "On Encumbrance of Movable Property";

298.1.3. payment of the pledgee's demands;

298.1.4. To pay the claims that have a lower right in the cases and in the manner determined by the Republic of Azerbaijan "On encumbrance of movable property".

298.2. After making the payments stipulated in Article 298.1 of this Code, the rest of the funds obtained from the sale of the pledged item shall be returned to the pledger within 10 (ten) working days from the sale of the pledged item.

298.3. If the amount taken from the sale of the pledged item is not sufficient to satisfy the pledgee's demands, the pledgee has the right to receive the missing amount from another item of the debtor, unless otherwise stipulated in the contract. In this case, the mortgagee has no right of preference based on the collateral.

Article 299. Termination of seizure of the pledged object and its sale

299.1. The pledger and (or) until the sale of the subject of pledge in connection with the seizure is concluded (until the sale contract is concluded or the protocol on the results of the auction is signed), or until the pledge is transferred to the property of the pledgee in accordance with the Law of the Republic of Azerbaijan "On Encumbrance of Movable Property" and (or) the debtor can terminate the attachment to the subject of pledge by executing the obligation secured by the pledge or the delayed part of the obligation. An agreement to the contrary of this right is irrelevant. [\[300\]](#)

299.2. The person who requests the termination of the seizure of the pledged item and its sale is obliged to pay the expenses incurred in connection with the seizure of the item and its sale to the pledge holder.

Article 300. Types of pledge

300.0. Pledge can be of the following types:

300.0.1. storage;

300.0.2. pledge of the item in a pawnshop;

300.0.3. pledge of rights;

300.0.4. Pledge of funds;

300.0.5. fixed collateral;

300.0.6. pledge of goods in circulation.

Article 301. Storage

A bailment is a pledge whose subject matter is given to the pledgee.

Article 302. Pledge of an object in a pawnshop

302.1. For the purpose of securing short-term loans from individuals, the movable

302.2. The agreement on the pledge of the thing in the pawnshop is formalized by the pawnbroker issuing a pledge ticket.

302.3. Items placed in storage are given in the pawn shop.

302.4. The pawnbroker must insure the pledged item for the benefit of the pledger in an amount of the price determined according to the market price of the item of the same type and condition at the time of its acceptance as pledge.

302.5. The pawnbroker does not have the right to use and dispose of the pledged item.

302.6. The pawnbroker is responsible for the loss and damage of the pawned item.

302.7. If the loan amount secured by the pledge of the item in the pawnshop is not returned within the specified period, the pawnshop can realize (sell) the item at an open auction. After the auction, the pawnbroker's claims against the pledger (debtor) are canceled, even if the amount taken from the sale of the pledged item is not sufficient for their full payment.

302.8. The rules of lending by pawnshops to individuals against the pledge of their belongings are determined by legislation.

302.8-1. Pawn shops must implement the measures established for it by the relevant legislation in order to prevent the legalization of ~~funds or other~~ property obtained through crime and the financing of terrorism, including the application of targeted financial sanctions. [\[301\]](#)

302.9. The terms of the agreement on the pledge of the thing in the pawnshop, which conflict with the rights of the pledger relative to the rights granted to him by this Code, are irrelevant.

Article 303. Pledge of right

303.1. When a right is pledged, the subject of the pledge is an alienable right, including the right of lease land, a building, a facility, a residential house (apartment), a right to a share in property, or a claim.

303.2. A temporary right can be subject to a pledge only until the expiration of its validity period.

303.3. The debtor of the pledged right must be immediately notified of the pledge.

303.4. The pledge of the right subject to state registration is valid from the moment it is registered with the state body that carries out its registration.

303.5. When a right confirmed by a *documentary security* is pledged, it is transferred to the pledger or to the bank or notary's deposit, unless otherwise stipulated in the contract. [\[302\]](#)

Article 304. Pledge of funds

The money that is the subject of the pledge is kept in the bank or notary's deposit account. The interest calculated on top of this amount belongs to the pledger, unless otherwise stipulated in the contract.

Article 305. Fixed pledge

A fixed pledge is such a pledge that the object of the pledge is kept under the lock of the pledger.

Article 306. Pledge of goods in circulation

306.1. During the pledge of goods in circulation, the pledged goods are kept by the pledger. The pledger is given the right to change the composition and natural form of the pledged goods (commodity stocks, raw materials, materials, semi-finished products, finished products, etc.) ~~if their total value is less than the value specified in the pledge agreement. do not fall and~~ decrease in the value of pledged goods in circulation is permitted in proportion to the executed part of the pledged obligation, unless otherwise stipulated in the contract. [\[303\]](#)

306.2. The goods in circulation alienated by the pledger do not become the subject of pledge from the moment they become the property of the acquirer, while the goods acquired by the pledger specified in the pledge agreement, become the subject of pledge from the moment the ownership right to them is formed.

306.3. When goods in circulation are pledged, the parties may stipulate that their total value does not fall below the value specified in the pledge agreement. At this time: [\[304\]](#)

306.3.1. if the contract does not provide for a different rule, a reduction in the value of the pledged goods in circulation is permitted in proportion to the executed part of the pledged obligation.

306.3.2. the pledger is obliged to draw up the book of registration of pledged goods. In that book, all transactions that lead to changes in the composition or natural form of pledged goods, including their processing, are entered for the last transaction day.

306.4. If the pledger violates the terms of the pledge of the goods in circulation, the pledger may suspend operations related to the pledged goods by placing their marks on them until the violation is eliminated.

§ 3. Mortgage

Article 307. Mortgage contract

307.1. *"In the mortgage contract, the name and place of residence of the parties (where they are), the name of the mortgage, its name, location and other description sufficient for identification, the nature of the obligation, its size (amount), the grounds for its formation and the period of execution, the parties to the mortgage on which this obligation is based, the place of closing, the date, as well as the conditions for directing the proceeds of the mortgage to the account of the subject of the mortgage, taking into account the imperative norms established by law, the method of sale of the subject of the mortgage, the initial sale price of the subject of the mortgage determined by independent appraisers who will determine this price, the sale of the subject of the mortgage when it is sold on the open market the person to be transferred and the order and order of distribution of the proceeds from the sale of the subject of mortgage, the e-mail address of the mortgagor must be indicated.* [\[305\]](#)

307.2. ~~The subject of the mortgage is defined in the contract by specifying its name, location and description sufficient for its identification.~~ [\[306\]](#)

307.3. In the mortgage agreement, the subject of the mortgage must be specified according

~~307.4. In the mortgage contract, the obligation secured by the mortgage, its amount, the ba
formation and the execution period must be specified. In cases where this obligation is ba
contract, the parties to that contract, the date and place of its conclusion should be indicate
amount of the obligation secured by the mortgage must be determined in the future, the proce
determining it and other necessary conditions must be specified in the mortgage agreement. [307]~~

307.5. If the obligation secured by a mortgage must be executed in parts, the terms or peric
the respective payments, their amounts or the conditions allowing to determine these amounts
specified in the mortgage contract.

307.6. The mortgage agreement must be concluded in writing by drawing up a document s
the mortgagor and the mortgagee, as well as, if the mortgagor is not the debtor, by the debtor.

307.7. The mortgage agreement must be notarized.

Article 308. Types of mortgage

308.1. A general mortgage is a mortgage whose subject is several items and each of the item
to satisfy the general demand. The creditor's claim can be paid against any item he wishes.

308.2. Owner's mortgage means that the demand for the satisfaction of which the mortga
does not arise, it is terminated, or when the demand is transferred to the owner of the th
mortgage also passes to him. In this case, the sequence of other rights does not change. [308]

Article 309. State registration of mortgage

309.1. The contract on mortgage of immovable property must be registered in the state re
real estate, and the contract on mortgage of movable property must be registered in the official
of movable property subject to state registration.

309.2. The state registration of the mortgage is carried out in accordance with the law. [309]

309.3. The mortgage and the claim are transferred to the new creditor in the same way as t
creditor. Registration of information that meets the creditor's interests in the state register of re
is considered correct. In this case, the debtor cannot refer to the non-existence of the demand.
does not apply if the new creditor knew that the entries in the register were incorrect. [310]

Article 310. Encumbrance of the object multiple times with a mortgage

The same item can be mortgaged several times. The sequence of loading is determined
moment of state registration of the mortgage. [311]

Article 311. The right of the owner to secure the creditor

311.1. The owner of the thing can satisfy the creditor when the demand is due. This car

311.3. When securing the creditor, the owner may request the documents necessary for relevant entries in the state register of real estate or other official register of movable property and the termination of the mortgage.

Article 312. Duty to keep the mortgaged thing

312.1. The mortgagor is obliged to protect the real value of the thing. If the mortgage is in jeopardy as a result of deteriorating conditions, the mortgagor can give the mortgagee an appropriate period of time to remove the threat.

312.2. If the item is insured, after the deterioration of the conditions, the insurance company must pay the insurance amount to the insured only when the fact of damage is reported to the mortgagor. If the mortgagor fears that the amount will not be used to restore the item, he can prepay the amount.

312.3. If it becomes clear that the mortgagor is unable to perform his duties, the mortgagee can demand that the thing be handed over to him. The court accepts the decision on this request.

312.4. An agreement which stipulates that the mortgagor undertakes to the mortgagee not to alienate the thing, not to use the thing or not to encumber it in any other way is invalid. The validity of such contracts for third parties cannot depend on the consent of the mortgagee. [KMQ20](#)

Article 313. Transfer of the mortgage and the claim based on it to a third party

The mortgage and the claim based on it can be assigned to another person only simultaneously together. When the demand is given to the new mortgagee, the mortgage is also transferred to him. The submission of the request is considered valid only under the condition that the notarially drawn document on the mortgage is given to the new mortgage holder and registered in the state register of immovable property or the official register of movable property.

Article 314. Presumption of the correctness of the entry made in the state register of real estate and in the official register of movable property when the mortgage and claim are transferred to a new mortgagee

The mortgage and claim are transferred to the new mortgagee in the same manner as they were to the old mortgagee. Information recorded in the state register of real estate or the official register of movable property is considered correct based on the interests of the mortgagee. In this case, the mortgagor cannot refer to the non-existence of the demand. This rule does not apply if the mortgagor was aware of the incorrect entries in the register.

Article 315. Rights of third parties

315.1. Any third party whose condition has worsened as a result of the realization of the mortgage has the right to execute the request and thereby transfer the mortgage to himself. When the mortgage is secured, he may request the duly certified documents and his registration as the mortgagee.

Article 316. Refusal of the demand or mortgage by the mortgagor

If the mortgagee refuses the demand or the mortgage, *the mortgage is terminated*. Refusal is legally binding under the condition that *termination of the mortgage* is registered in the state register of immovable property or in the official register of movable property. [\[312\]](#)

Article 317. The request to sell the mortgaged item

317.1. If the debtor fails to fulfill the main obligation, which is the mortgage, or fails to properly, the mortgagee may demand the sale of the immovable property. [\[313\]](#)

317.2. The sale is carried out in accordance with *the Law of the Republic of Azerbaijan "On Mortgage"*. [\[314\]](#)

Article 318. Costs of issuing a mortgage

318.1. If there is no separate provision in the contract, the debtor bears the costs of issuing a mortgage.

318.2. If the thing is encumbered with a mortgage, and if after the mortgage was given, the debtor made changes or additions to the mortgage, and at that time he is not obliged to provide security for the claim, he can restore the previous condition of the thing by withdrawing those changes and additions. The owner is responsible for the decrease in the value of the real estate.

Article 319. Consequences of the debtor's delay in fulfilling obligations

319.1. If the debtor has delayed the performance of the mortgaged obligations, the mortgagee has the right to sell the mortgaged object at an open auction. In cases where the debtor does not fulfill the obligations secured by the mortgage or delays in fulfilling them, the agreement on the direct transfer of ownership rights to the real estate to the creditor is invalid. [\[315\]](#)

319.2. If the demand secured by the mortgage is not executed, the mortgage holder and the debtor can agree on other forms of sale, different from the open auction, at the time the mortgage demand is secured. The agreement may also stipulate that the subject of the mortgage be sold at the market price on the condition that the debtor's debts are settled in full, and (or) the person who acquires the apartment (residential area) that was the subject of the mortgage during the sale will become the owner of the apartment (residential area) to the debtor and his family members in the future. [\[316\]](#)

319.3. The buyer of the mortgaged object is obliged to pay the purchase price. The costs of the foreclosure of the mortgaged object are deducted from the purchase price.

319.4. *The initial sale price of the mortgaged object put up for sale at the open auction is determined by the market price.*

319.5. If the auction is declared not to have taken place in the cases specified by the Law of the Republic of Azerbaijan "On Mortgages", a repeat auction is held. The re-auction must be announced in the form of an auction and conducted in the same manner. The organizer of the re-auction can auction the subject of mortgage at a price lower than the initial sale price, and if the re-auction is held due to the absence of a participant in the first auction, the price should be 15 percent lower than the initial sale price, provided that the lowest sale price of the subject of mortgage covers the costs of conducting the auction and registration of rights. The amount should be sufficient to cover the costs of other mortgagees who are superior to the mortgagee who sells the subject of mortgage at open auction. The costs are borne by the owner.

319.6. If the amount taken from the sale of the subject of mortgage is not sufficient to satisfy the claims of the mortgagee, he has the right to receive the missing amount from other property of the debtor, unless stipulated in the mortgage contract. In this case, the mortgagee has no right of preference based on the mortgage. If the amount taken from the sale exceeds the requirements of the mortgagee, the excess amount must be returned to the mortgagor.

Article 320. Order of payment of mortgage holders' claims

If there are several mortgagees, the claims of the mortgagees are paid from the net proceeds of the sale of the mortgaged object according to the order of registration of their rights. If the amount due to each of the alternate or discretionary persons is in dispute, payment shall not be made until the order or the amount due to each of the mortgagees is determined. The balance is paid to the creditor of the sold item.

Article 321. Mortgage debt

321.1. The plot of land can be encumbered in such a way that a certain amount of money (principal debt) must be paid for the plot of land to the person in whose favor the encumbrance is determined. Encumbrance can also be defined in such a way that interest must be paid on the amount of money as well as other additional obligations on real estate must be performed. The instructions on mortgage debt shall be applied accordingly to the mortgage debt, provided that it does not follow from them that there are claims behind the mortgage debt are likely.

321.2. With the agreement of the parties, the mortgage can be transferred to the mortgagee. The mortgage can also be transferred to the mortgagee.

Article 322. Rent debt

A mortgage loan can be issued in such a way that a certain amount of money (annuity debt) must be paid on the real estate in regularly recurring periods. When giving an annuity loan, the amount of the annuity must also be determined. The purchase amount must be indicated in the register of real estate.

Article 323. Loading of goods

Article 323-1. Objections of the owner to the mortgage

Although the owner of the immovable property is not at the same time a personal debtor claim secured by the mortgage, he can make a reciprocal claim against the mortgagee that belongs to the personal debtor; in particular, these are mutual requirements related to the compensation of monetary obligations and the filing of an appeal against the demand. This also applies where the owner is a personal debtor of the mortgagor.

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Chapter 13.

General provisions on transactions

Article 324. Concept of contract and its types

324.1. A contract is a unilateral, bilateral or multilateral expression of will aimed at the formation, modification or termination of a civil legal relationship.

324.2. Agreements can be unilateral or contractual (bilateral or multilateral).

324.3. A contract for which the expression of will of one party is necessary and sufficient for its conclusion in accordance with this Code or the agreement of the parties is a unilateral contract.

324.4. For the conclusion of the contract, the agreed expression of will of two parties (bilateral agreement) or the agreed expression of will of three or more parties (multilateral agreement) is necessary.

324.5. During the interpretation of the expression of will, its true content must be determined not only according to the literal meaning, but also based on reasonable judgment.

324.6. If the content of the will cannot be determined precisely, either due to the external expression or due to other circumstances, the contract does not exist.

Article 325. Validity of unilateral expression of will

325.1. An expression of will that is required to be accepted by the other party becomes valid from the moment it reaches the other party.

325.2. *Removed.* [\[319\]](#)

325.3. If the death or incapacity of the testator occurs after the expression of the will, it does not affect the validity of the expression of the will.

A unilateral contract creates obligations for the person who concluded it. The contract may create duties for other persons only in the cases specified in this Code or in the agreement with those persons.

Article 327. Legal regulation of unilateral contracts

The general provisions on obligations or contracts shall be applied to unilateral contracts, provided that this does not conflict with this Code, the unilateral nature and essence of the contract.

Article 328. Conditional contracts

328.1. If the parties have made the formation of rights and duties dependent on circumstances the occurrence of which are not known whether they will occur or not, the contract is considered conditional.

328.2. A condition that contradicts the requirements defined by this Code or is impossible to implement is invalid. A contract subject to such a condition is absolutely void.

328.3. A condition that depends on the will of the parties, that is, a condition whose occurrence or non-occurrence depends only on the wishes of the parties in the contract, is invalid. A contract concluded with such a condition is invalid.

328.4. A positive condition means that the contract is concluded with the condition that some event will happen in a certain time. If that period has expired and the event has not occurred, the contract shall be deemed void. If no time limit is specified, the condition can be fulfilled at any time. If the impossibility of the occurrence of the event is clear, the condition may be considered invalid.

328.5. A negative condition means that the contract is concluded with the condition that some event will not occur within a certain period of time. If the event does not occur before the end of that period, the condition is considered fulfilled. If the impossibility of the occurrence of that event becomes clear before the end of the period, the condition is considered fulfilled. If the term is not specified, the condition is considered fulfilled when it is clear that the event will not occur.

328.6. The contract is considered to be concluded with a suspensive condition if the formation of rights and duties stipulated in the contract depends on an expected or unknown event in the future. If an event that has already occurred but is not yet known to the parties, the contract is considered concluded with a suspensive condition.

328.7. The contract is considered concluded with a cancellation condition, if the occurrence of the condition leads to the termination of the contract and restores the situation that existed before the contract was concluded.

328.8. A person who has concluded a contract with a certain condition does not have the right to perform any action that may hinder the performance of his obligations until the condition is fulfilled. If the condition occurs within a certain period and the person has performed that action, he must compensate the other party for the damage caused as a result of this action.

328.9. If the party whose fulfillment of the condition is not profitable for him dishonestly obstructs the fulfillment of the condition, the condition shall be deemed fulfilled.

328.10. The condition is deemed not to have occurred if the party for whom the occurrence of the condition is beneficial dishonestly helps the condition to occur.

Article 329. Forms of contracts

329.1. Unless otherwise specified by law, a contract concluded without complying with the requirements established by law or by mutual agreement of the parties is invalid. [\[320\]](#)

329.2. Contracts are concluded verbally or in writing (simple or notarial).

329.3. A contract that can be concluded orally is considered concluded if the will of the person to conclude the contract is known from his behavior.

329.4. Silence is considered an expression of the will to conclude the contract in the cases provided for in this Code or in the agreement of the parties.

Article 330. Verbal agreement - deleted. [\[321\]](#)

Article 331. Written agreement

331.1. A written agreement must be concluded by drawing up a document that expresses its content and is signed by the person or persons signing the agreement or by their duly authorized representatives. *The contract is considered to be in written form when it is concluded with the help of mechanical or other technical means that allow its content to be reflected in an unchangeable form on a material carrier. In this case, if any method is used that allows the honest identification of the person expressing his will, the requirement is considered fulfilled.* *is done. By law, other legal acts or by agreement of the parties, a specific (methods) may be defined that allow to accurately identify a person.* [\[322\]](#)

331.2. *The law, other legal acts or the agreement of the parties may specify additional requirements which the form of the agreement must comply (formulation in a certain form, confirmation with a stamp, etc.) and the consequences of non-compliance with these requirements may be provided.* [\[323\]](#)

331.3. The use of a facsimile of a signature, an electronic signature or another analog of a personal signature with the help of mechanical or other means of copying during the conclusion of contracts is allowed in the cases and in the manner stipulated by *the law, other legal acts or the agreement of the parties.* Rules for using electronic signature are determined by legislation. [\[324\]](#)

331.4. If a natural person is unable to sign the contract due to *physical disability*, illness or another reason, another natural person can sign the contract at his request. The signature of another natural person must be confirmed by a notary public or by another official who has the right to perform such a notarial act, indicating the reasons why the person concluding the contract cannot sign it himself. [\[325\]](#)

331.5. Issues related to the conclusion of contracts during *electronic commerce and confirmation of electronic signature are regulated by the legislation of the Republic of Azerbaijan on electronic communication and electronic document circulation.* [\[326\]](#)

Article 332. Contracts concluded in a simple written form - omitted. [\[327\]](#)

Article 333. Consequences of non-observance of the simple written form of the contract

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334.1. The notarial confirmation of the contract is carried out by a notary public or other who has the right to perform such notarial action in a document that meets the requirements of Article 331 of this Code.

334.2. The procedure for notarial confirmation of the contract is determined *in accordance with the Law of the Republic of Azerbaijan "On Notary"*. [\[329\]](#)

334.3. *Removed.*

Article 335. Consequences of non-observance of the notarial form of the contract - removed

Article 336. Consequences of failure to comply with the requirement to register rights arising from contracts [\[331\]](#)

336.1. If one of the parties refuses the state registration of the right arising from the contract, the registration is carried out based on the court's decision upon the application of the other party.

336.2. Other rights to compensation remain unaffected.

Chapter 14.

Invalidity of contracts

Article 337. Concept of invalidity of contracts and its consequences. Disputed and insignificant transactions [KMQ14](#)

337.1. The contract concluded by violating the conditions defined in this Code is invalid. Disputed transactions can be disputed transactions or trivial transactions. [\[332\]](#)

337.2. If the contract is disputed, the contract is invalid from the moment it is concluded. Disputing the contract is done by notifying the other party of the contract. A unilateral transaction made in violation of the contract to the other party is disputed against that person. [\[333\]](#)

337.3. A frivolous contract is a contract that is void in itself, regardless of whether it is considered void by the court. [\[334\]](#)

337.4. An invalid contract does not cause legal consequences, except for the consequences relating to its invalidity. Such a contract is invalid from the moment it is concluded.

337.5. If the contract is invalid, if separate consequences of its invalidity are not provided for in the Code, each of the parties shall return all of what they received under the contract to the other party. If necessary, they must pay with money.

Article 339. Invalidity of the contract concluded as a result of abuse of power, or influence of deception, violence, threats, as a result of the representative of one party reaching agreement with the other party in bad faith, or as a result of the person being in a difficult situation

339.1. Abuse of power, a deal concluded as a result of a representative of one party reaching agreement with another party in bad faith, or a deal that causes the circumstances specified in Article 339.2 of this Code, as well as a person being in a difficult situation and the other party taking advantage of which is extremely unfavorable for that person the contract he is forced to conclude with conditions (contract with heavy conditions) can be disputed by the victim. [\[336\]](#)

339.2. If a person is deceived in order to conclude a contract, he can dispute that contract. Dispute is carried out in cases where it is obvious that the contract cannot be concluded without deception. If one of the parties has kept silent about circumstances which, if discovered, the other party would not have entered into the contract, the deceived party may dispute the contract. There is no duty to provide information about matters of silence only if the other party expects it in good faith.

339.3. For disputing the contract concluded by deception, it does not matter whether the contract was intended to benefit or harm the other party when giving false information. In case of fraud by one party, the contract may be contested if the beneficiary of the contract knew or should have known of the fraud. If both parties have acted fraudulently, neither of them has the right to dispute the contract on the basis that they have been deceived or to claim damages. [\[338\]](#)

339.4. Forcing a contracting party to enter into a contract (violence or threats) gives him the right to dispute the contract even if the violence was committed by a third party. Coercion, which is of the same nature as to influence a person and to suggest to him that he personally or his property is in real danger, renders the contract void. When evaluating the nature of coercion, the person's age and sex and his conditions are taken into account. If the coercion is directed against the wife (husband) of one of the parties, other family members or close relatives, it is also grounds for disputing the contract. Even in the cases where the means of coercion are not compatible with each other, acts that are not compatible with either with unlawful purposes or by applying unlawful means are not considered coercion. [\[339\]](#)

339.5. If the contract is considered invalid on one of the grounds specified in Articles 339.1 and 339.4, the rules of Article 337.5 of this Code shall be applied. In addition, the other party pays the real damage caused to the victim as a result of the abuse of power. [\[340\]](#)

339.6. *On the grounds specified in Articles 339.1-339.4 of this Code, the transaction may be invalidated by the court at the claim of the victim.* [\[341\]](#) **KMQ14**

Article 340. Invalidity of fictitious and false contracts

340.1. A fictitious contract is one entered into only for appearance without the intention of producing legal consequences. The fictitious transaction is irrelevant.

340.2. A false contract is a contract concluded with the purpose of concealing another contract.

Article 341. Invalidity of frivolous contract

341.1. A non-serious (jokingly) expression of will is invalid in the hope that non-seriousness is perceived.

341.2. If the other party suffers damage as a result of a frivolous transaction, if the other party was not aware of the frivolity of the transaction and could not have been aware of it, the damage is compensated.

Article 342. Invalidity of a contract concluded by an incapacitated natural person

342.1. A contract concluded by an individual who has been deemed incapacitated as a result of a mental disorder is invalid. Each of the parties to such an agreement must return to the other party what they received with the same, and if it is not possible to return the received with the same, the party must pay its value in money. In addition, if the party capable of acting knew or should have known that the other party was not capable of acting, he must also pay the compensation for the actual damage caused to him.

342.2. A contract concluded by a natural person who is considered incapacitated as a result of a mental disorder can be considered valid with the consent of his guardian if it is in his favor. [\[343\]](#)

Article 343. Invalidity of a contract concluded by an individual with limited capacity to act

343.1. An agreement concluded by a natural person whose capacity for activity has been restricted by the court as a result of abuse of alcoholic beverages, narcotic drugs or psychotropic substances, as well as gambling can be invalidated by the court at the request of the guardian. [\[344\]](#)

343.2. The rules of this article do not apply to small household contracts that an individual with limited capacity has the right to conclude independently.

Article 344. Invalidity of a contract concluded by a minor under the age of fourteen

344.1. Except for the cases provided for in Article 29 of this Code, the contract concluded by a minor under the age of fourteen is invalid. [\[345\]](#)

344.2. *Removed.* [\[346\]](#)

344.3. *Removed.* [\[347\]](#)

Article 345. Invalidity of a contract concluded by a minor between fourteen and eighteen years of age

345.1. A contract entered into by a minor between the ages of fourteen and eighteen

345.2. The rules of this article do not apply to contracts of minors who have become fully capable of functioning in accordance with the rules of this Code.

Article 346. Invalidity of a contract concluded by a natural person who does not understand the meaning of his actions or is unable to direct them

346.1. Although he is capable of action, the contract concluded by an individual who does not understand the meaning of his actions or was unable to direct them at the time of the conclusion of the contract may be considered invalid by the court at the claim of him or other persons whose interests protected by law have been violated as a result of the conclusion of the contract. [KMQ1](#)

346.2. A contract entered into by a natural person who is later deemed capable of functioning may be invalidated by the court at the request of his guardian, if it is proved that the natural person does not understand the meaning of his actions or was unable to direct them at the time of conclusion of the contract.

346.3. A statement of will made during a loss of consciousness or a temporary mental disability may be considered invalid.

346.4. If the will of a mentally ill person does not correspond to the correct perception of the situation and the person is considered incapacitated by the court, the will is invalid.

Article 347. Invalidity of the contract concluded under the influence of an important mistake

347.1. A contract concluded under the influence of a significant mistake may be disputed by the person who acted under the influence of such mistake. [\[349\]](#)

347.2. A significant error is the following cases:

347.2.1. the person wanted to conclude a different contract than the one he agreed to;

347.2.2. the person made a mistake about the content of the contract he wished to conclude;

347.2.3. there are no cases where the parties consider the principle of good faith as the basis of the agreement.

347.3. A mistake about the motives of the agreement is not important, except in cases where the motives are the subject of the agreement.

347.4. A mistake about the identity of the counterparty is considered important if the consideration of the identity or personal qualities of the counterparty was the main basis for conclusion of the contract.

347.5. A mistake about the main characteristics of an object is considered important only if the object is important for determining the value of the object.

347.6. Minor mistakes made during the conclusion of written contracts give the right to correct them but not the right to dispute.

347.7. If the party who disputed the contract concluded under the influence of a significant mistake proves that the mistake was caused by the fault of the other party, he can demand compensation from the other party for the actual damage he suffered. If this is not proven, the party that disputed the contract concluded under the influence of an important significant mistake is obliged to perform the contract.

Article 348. Invalidity of the contract concluded by violating the mandatory form - remov

Article 349. Invalidity of a contract that exceeds the legal capacity of a legal entity

A contract concluded by a legal entity contrary to the activity goals defined in its charter challenged by that legal entity or its founder if it is proven that the other party involved in the transaction knew or should have known that it was illegal. [\[352\]](#)

Article 350. Consequences of limiting the powers to conclude a contract

If the powers of a person to enter into a contract are limited by a contract or the powers of a legal entity by its charter, compared to what is defined in the power of attorney, this Code, considered obvious due to the circumstances of the conclusion of the contract, and if that person deviates from these limitations during the conclusion of the contract, the contract is only valid if both parties who participate in it. In cases where it is proven that the other party knew or should have known of the specified restrictions, it can be contested by the person whose interests have been restricted.

Article 351. Significance of confirmation in case of invalidity of contracts

351.1. A frivolous contract is void from the moment of its conclusion.

351.2. If the person who made the insignificant contract confirms it, his actions are considered as if he had contracted.

351.3. If the contract is approved by a person who has the right to dispute about it, then he loses his right to dispute.

351.4. If both parties approve an insignificant bilateral agreement, in case of doubts, they are obliged to give each other everything they have, if the agreement was valid from the beginning.

351.5. Approval is valid only if the contract or agreement does not contradict moral requirements and does not violate the interests of third parties.

Article 352. Consequences of invalidity of a part of the contract

The invalidity of one part of the contract does not lead to the invalidity of its remaining part if the contract could have been concluded without the inclusion of its invalid part.

Article 353. Contract conversion

When the parties wish to make the agreement valid after knowing its invalidity, the rules of another agreement apply if the invalid agreement meets the requirements for another agreement.

354.1. A claim on the application of the invalidity of an insignificant contract can be filed within one year from the day of its execution. [\[355\]](#)

354.2. With the exception of the case stipulated in Article 347.1 of this Code, an interested person may dispute the contract within one year from the day the violence or threat that affected the conclusion of the contract ended, or from the day he knew or should have known the circumstances that led to the contract being considered invalid. A contract concluded under the influence of a significant mistake may be disputed within one month from the moment of its discovery. [\[356\]](#)

Chapter 15.

Consent to deals

Article 355. Concept of consent in contracts

355.1. If the validity of the agreement depends on the consent of a third party, then both the consent and refusal of consent can be expressed either in front of one party or the other party.

355.2. Consent does not require adherence to a specified form of agreement.

Article 356. Permission (prior consent)

The permission to conclude the contract (prior permission) may be canceled before the conclusion of the contract, if the parties have not agreed on a different rule. Both parties must be notified of the cancellation of permission (prior consent).

Article 357. Like (subsequent consent)

Approval of the conclusion of the contract (subsequent consent), unless otherwise specified in the Code or by agreement of the parties, has retroactive effect from the moment of conclusion of the contract.

Article 358. Disposition of an object or right by an unauthorized person

358.1. Disposition of an object or right by an unauthorized person is valid if it is carried out with the permission (prior consent) of an authorized person.

358.2. A disposition of a thing or right is valid if the authorized person likes it.

Chapter 16.

Representation in transactions

359.1. The deal can be concluded through a representative. A contract concluded by a (representative) on behalf of another person (represented) on behalf of another person (represented) based on a power of attorney, an instruction of the law, or an act of a state or municipal authority delegated to him, directly creates, changes and terminates the civil rights and duties of the represented person. Authority may also be evident from the circumstances in which the representative (retail salesperson, cashier, etc.).

359.2. Persons acting on their own behalf (commercial mediators, bankruptcy trustees, executors of wills during inheritance, etc.), as well as persons authorized to initiate negotiations on possible transactions, are not representatives.

359.3. The representative cannot enter into contracts on behalf of the represented person personally. Also, he cannot enter into such transactions on behalf of the person he represents, except in the case of commercial representation and *investment company activity* in the securities market. [\[357\]](#)

359.4. Due to their nature, contracts that can only be concluded personally, as well as contracts specified in this Code, are not allowed to be concluded through a representative.

Article 360. Contract conclusion by unauthorized person

360.1. If the person (representative) concluding the contract on behalf of another person (represented person) does not have the authority to act on behalf of another person (represented person) or if this authority is exceeded, the other party to the contract may demand from the representative performance of that contract or compensation for the damage caused to him as a result of the conclusion of the contract. The represented person has the right, provided that another person (represented person) does not approve the contract later. [\[358\]](#)

360.2. Subsequent approval of the contract by the represented person creates, changes and terminates rights and duties for him from the moment of conclusion of the contract.

Article 361. Commercial representation

361.1. When concluding contracts in the field of entrepreneurial activity, a person who personally and independently represents entrepreneurs is considered a commercial representative.

361.2. Simultaneous commercial representation of different parties in the contract is allowed with the consent of those parties and in other cases provided for in this Code. The commercial representative may demand that the parties to the contract pay the agreed wages and expenses incurred during performance of the task in equal shares, provided that no other rule is provided for in the agreement between them.

361.3. Commercial representation is carried out on the basis of a contract concluded in writing and specifying the powers of the representative, and in the absence of such instructions, also on the basis of a power of attorney. The commercial representative is obliged to maintain the confidentiality of information disclosed to him about commercial transactions even after the execution of the task assigned to him.

362.1. A power of attorney given by a person to another person for representation in front of parties is considered a power of attorney. The represented representative can directly present a written power of attorney to the relevant third party to conclude the contract. [\[359\]](#)

362.2. In order to conclude transactions that require a notarial form, the power of attorney must be notarized.

362.3. The following are equivalent to notarized power of attorney:

362.3.1. power of attorneys of military servicemen and other persons undergoing treatment in hospitals, sanatoriums and other military treatment institutions, approved by the head of the institution, his deputy for the medical department, senior or on-duty doctor;

362.3.2. power of attorneys of military personnel, military units, formations, administrative and military training schools located in areas where there are no notary offices and other institutions conducting notarial operations, and workers and servants, their family members and family members of military personnel of this unit, formation, administration or school power of attorney approved by the commander (chief); [\[360\]](#)

362.3.3. power of attorneys of persons in places of deprivation of liberty approved by the head of the respective place of deprivation of liberty.

~~362.3.4. power of attorneys of legal persons who have reached the age of majority in social service institutions, approved by the directorate of that institution or the head of the social protection body of that institution (his deputy).~~ [\[361\]](#)

362.4. The organization where the trustee works or studies for the receipt of wages and other benefits related to labor relations, authors' and inventors' fees, pensions, allowances and scholarships, deposits and individuals in banks and mailings, including money and parcels, according to his place of residence can be approved by the relevant executive authority and the management of the inpatient treatment institution, and in the case of persons placed in social service institutions, it can also be approved by the management of those institutions. [\[362\]](#)

362.5. a power of attorney on behalf of a legal entity is issued with the signature of its representative and another person authorized by its charter, and affixing the seal of that organization.

362.6. The power of attorney sent by telegraph, as well as by other types of communication, if the document is sent by a communication employee, is approved by the communication authority.

362.7. Third parties may consider the power of attorney issued for taking actions against which the trustee sends to the client by facsimile and other communication without the mediation of official communication agencies, authentic.

Article 363. Term of power of attorney

363.1. Power of attorney can be issued for any period of time, except for the case provided for in Article 363.3 of this Code. If the power of attorney does not specify a term, it remains valid for an indefinite period from the date of its conclusion. A power of attorney without a dated date is irrelevant. [\[363\]](#)

363.2. A power of attorney, which is intended for the performance of actions abroad and

363.3. A power of attorney providing the right to dispose of a vehicle cannot be issued for more than one year. [\[364\]](#)

Article 364. Trusting what has been trusted

364.1. The person given the power of attorney must personally perform the actions for which he is represented. He can entrust the execution of those actions to another person if he is authorized by a power of attorney or if circumstances force him to do so for the protection of the interests of the person who gave the power of attorney.

364.2. The one who gives the powers to another person must notify the one who gave the power of attorney and give him the necessary information about the person to whom he gave the powers to perform this duty imposes responsibility on the person giving the authority for the actions of the person to whom he has given authority, as well as for his own actions.

364.3. *Removed.* [\[365\]](#)

364.4. The term of validity of the power of attorney issued in the manner of entrusting the power to another cannot exceed the validity period of the power of attorney used as the basis for its issuance.

Article 365. Termination of power of attorney

365.1. The power of attorney is terminated as a result of the following:

365.1.1. expiration of power of attorney;

365.1.2. implementation of the actions provided for in the power of attorney;

365.1.3. its cancellation by the person who issued the power of attorney;

365.1.4. refusal of the authorized person;

365.1.5. termination of the legal entity on whose behalf the power of attorney was issued;

365.1.6. Termination of the legal entity in whose name the power of attorney was issued;

365.1.7. the death of the natural person who gave the power of attorney, being co-owner, incapacitated, limited in capacity or missing without notice;

365.1.8. the death of a natural person to whom a power of attorney was issued, incapacity, limited capacity or being considered missing without notice.

365.2. A person who has given a power of attorney can revoke a power of attorney or a trust at any time, and a person who has been given a power of attorney can refuse it at any time. An agreement to waive these rights is irrelevant.

Article 366. Consequences of termination of power of attorney

366.1. The person who issued a power of attorney and subsequently canceled it is obliged to inform the person to whom the power of attorney was granted, as well as the third parties known to him to whom he gave the power of attorney to represent him. In cases where the power of attorney is terminated on the grounds provided for in Articles 365.1.5 and 365.1.7 of this Code, the legal heir of the person who issued the power of attorney shall be similarly charged with this duty.

Power of attorney was terminated remain valid for the person who granted the power of attorney and his heirs against third parties. This rule does not apply if the third party knew or should have known that the power of attorney was terminated.

366.3. When the power of attorney is terminated, the person to whom it was issued or his heirs are obliged to immediately return the power of attorney.

366.4. When the power of attorney is terminated, the entrustment to another person becomes invalid.

Fifth section.

DEADLINES

Chapter 17.

Calculation of periods

Article 367. Concept of duration

367.1. The term is the time for the formation, modification and termination of civil rights and obligations.

367.2. The term determined by the contract or determined by the court is determined by a calendar date or by the expiration of the time calculated in years, months, weeks, days or hours.

367.3. Duration can also be defined by specifying an event that must occur.

Article 368. Time indicating the beginning of the term

The period defined by the time period begins to run on the calendar date or the day of occurrence of the event defined for the beginning of the period.

Article 369. The time indicating the end of the term

369.1. The term calculated in years ends on the corresponding month and day of the last year of the term. The rules for periods calculated in months are applied to the period defined in half a year. A half a year is equal to six months, and half a year is counted from the beginning of the year.

369.2. The rules for periods calculated in months are applied to the period calculated in quarters. Also, a quarter is equal to three months, and quarters start counting from the beginning of the year.

369.3. The period calculated in months ends on the corresponding day of the last month of the period. When the end of the period calculated in months falls on a month without a corresponding day, the period ends on the last day of that month.

369.4. The period determined by half a month is evaluated as a period calculated in days. A half a month is equal to fifteen days.

369.6. The period calculated in days expires at the end of the last day of the period.

369.7. If the period consists of one or more full months and half months, the fifteen days calculated at the end.

369.8. When the term is extended, the new term is calculated from the end of the expired term.

369.9. If time is defined in months or years, in such a way that there is no need for them to be defined together, then the month is calculated by thirty days, and the year by three hundred and sixty-five days.

369.10. The first day of the month is the beginning of the month, the fifteenth day is the middle of the month, and the last day is the end of the month.

Article 370. Calculation of periods on non-working days [\[366\]](#)

370.1. If the action is to be performed on a certain day and that day is a non-business day, the action must be performed on the next business day.

370.2. If the last day of the period falls on a non-working day, the following working day is considered the day of the end of the period.

Article 371. Procedure for performing actions on the last day of the term

371.1. If a period has been set for the performance of any action, that action may be performed until 24:00 on the last day of the period. However, if that action must be performed in the organization, the period expires at the time when the relevant operations in that organization are stopped according to the established rules.

371.2. Written applications and notices delivered to the communication organization before four o'clock on the last day of the period are deemed to have been submitted on time.

Chapter 18.

Claim period

Article 372. Definition of claim period

372.1. The right to require another person to perform or refrain from performing any act is limited to a time limit. [KMQ23](#)

372.2. The period for the protection of the right with the claim of the person whose right is violated is the claim period.

Article 373. Claim periods [KM2](#)

373.1. The total claim period is ten years. [KMQ23](#)

373.4. For separate types of claims, this Code may set shorter or longer special claim periods compared to the general period.

373.5. The rules defined in this chapter of this Code also apply to special claim periods otherwise specified by law.

Article 374. Determination of claim periods [\[367\]](#)

374.1. Unless otherwise stipulated in the contract, the claim periods and their calculation periods are determined by this Code. [\[368\]](#)

374.2. The grounds for stopping and interrupting the flow of claim periods are determined by this Code.

Article 375. Application of the claim period

375.1. The request for protection of the right is accepted for consideration by the court regarding the expiration of the claim period.

375.2. The claim period is applied by the court only on the basis of the application filed by the disputing party before the court decision is issued. Expiration of the claim period, which the party disputing the claim filed an application for application, is the basis for the court to issue a decision on the claim. [KMQ17](#)

Article 376. Application of the claim period to additional claims

When the claim period for the main demand expires, the claim period also expires for additional claims (pledge, deposit money, storage, surety, etc.).

Article 377. Commencement of the claim period

377.1. The limitation period starts from the day when the person knows or should have known that his right has been violated. Exceptions to this rule are defined by this Code.

377.2. The flow of the claim period for obligations with a defined performance period begins from the moment when the performance period ends.

377.3. The course of the claim period for obligations that have not been determined by the execution period or defined by the point of demand begins from the moment when the right of the creditor to make a demand for the execution of the obligation is formed, and if the debtor is granted a grace period for the execution of that demand, the claim period begins to be calculated from the moment when the specified period has expired.

377.4. The claim period for recourse obligations starts from the moment of execution of the obligation.

Article 378. Claim period when the persons in the obligation are changed

Changing the persons in the obligation does not change the claim period and its calculation procedure.

Article 379. Termination of the limitation period

379.1. The claim period is suspended in the following cases:

379.1.1. when an extraordinary and unavoidable situation (force majeure) prevents the filing of a claim;

379.1.2. if the plaintiff or the defendant is part of the armed forces that have been put under martial law;

379.1.3. when the relevant executive authority determines a moratorium for the performance of obligations;

379.1.4. if the incapacitated person does not have a legal representative;

379.1.5. when the law regulating the relevant relationship or other regulatory legal act ceases to be in force ;

379.1.6. *when the mediation process is applied to the dispute between the parties.* [\[369\]](#)

379.2. The statute of limitations for claims for compensation for damage to the life or health of natural persons is also suspended until the pension or allowance is granted or refused in connection with the individual's application to the relevant body for the appointment of a pension or allowance.

379.3. The claim period is suspended on the condition that the circumstances specified in this article occur or continue to exist during the last six months of the claim period, and if that period is equal to or less than six months, during the claim period.

379.4. The period continues to run from the day of the termination of the event that gave rise to the termination of the period. The rest of the period is extended up to six months, and if the claim period is equal to or less than six months, it is extended up to the claim period.

379.4-1. *In connection with the application of the mediation process, the suspended claim period is extended from the date specified by the Law of the Republic of Azerbaijan "On Mediation".* [\[370\]](#)

379.5. During the period of existence of marriage, the flow of the claim period for claims between husband and wife is suspended. The same rule applies to claims between children and parents until children reach the age of majority, as well as claims between guardians (guardians) and those under guardianship (guardianship) during the entire guardianship period.

379.6. If the claim is filed by a person with limited capacity or incapacity without a legal representative, the claim period is considered to be suspended until that person has full capacity and a legal representative is appointed for him.

Article 380. Interruption of the limitation period

380.1. When a claim is filed in the established manner, as well as when the debtor takes steps indicating that he acknowledges the debt, the claim period is interrupted.

380.2. After the break, the claim period starts again. The time elapsed before the break is included in the new period.

381.1. If the claim has been kept unheard by the court, the course of the claim period that before the claim is filed continues in the general manner.

381.2. If the claim brought forward in a criminal case is kept pending by the court, the claim that started before the filing of the claim is suspended until the judgment keeping it pending enters into legal force. The period of suspension is not included in the claim period time, the remaining period is extended to six months if it is less than six months.

Article 382. Restoration of the claim period

The violated right of an individual must be defended in exceptional cases where the court the reason for the extension of the claim period to be justified due to circumstances relating to the plaintiff's personality (severe illness, helpless situation, illiteracy, etc.). Reasons for transferring the claim period can be considered excused if they occur in the last six months of the claim period, and if the period is equal to or less than six months, during the claim period.

Article 383. Execution of duties after the expiration of the claim period

If the debtor or other liable person performed his duty after the expiration of the claim period, he cannot claim back his performance, even if he did not know that the performance period had expired at the time of performance.

Article 384. Demands to which the claim period does not apply

384.0. The claim period does not apply to:

384.0.1. requirements for the protection of personal non-property rights and other interests and benefits;

384.0.2. depositors' requests to the bank for the provision of deposits;

384.0.3. claims for compensation for damage to the life or health of an individual. However, such claims made after the expiration of three years from the time when the right to compensation for such damage arose are paid for a maximum of three years before the claim was made; [\[371\]](#)

384.0.4. requests of the owner or other owner to eliminate any violations of his right, even if such violations are not combined with deprivation of ownership;

384.0.5. requests of the owner to invalidate the act of the state or municipal body or their officials regarding the ownership, use or disposal of the property, which violated the rights of the owner;

384.0.6. other requirements in cases defined by this Code.

Sixth section

GENERAL PART OF THE LAW OF OBLIGATIONS

Article 385. Definition of obligation

385.1. According to the obligation, a person (the debtor) must perform a certain action for the benefit of another person (the creditor), for example, he must pay money, give property, provide services, and refrain from a certain action, and the creditor has the right to demand performance of his duties from the debtor.

385.2. Depending on its content and nature, the obligation may impose a duty on each of the parties to take special care of the rights and property of the other party, either during the contractual relationship or after such relationship. [\[372\]](#)

Article 386. Basis for formation of obligations

386.1. Except for cases where the obligation is formed as a result of damage, unjust enrichment, or other grounds provided for in this Code, there must be a contract between its participants at the time of formation of the obligation.

386.2. Obligations stipulated in Article 385 of this Code may also be formed on the basis of preparation.

386.3. A participant in the negotiations may demand from the other participant to pay for expenses incurred for the conclusion of the contract, which was not concluded as a result of the other participant's culpable actions.

386.4. Issues related to the content and execution of obligations arising from contracts concluded in electronic form are regulated by this Code, with the exception of those stipulated by the legislation of the Republic of Azerbaijan on electronic commerce. [\[373\]](#)

Article 387. Parties to the obligation

387.1. Each of its parties can be a creditor or a debtor, or several people can participate in the obligation. The invalidity of the creditor's claims against one of the persons participating in the obligation on the part of the debtor, as well as the expiration of the claim period for the claim against such a person, does not in itself affect the creditor's claims against the rest of such persons.

387.2. If each of the parties to the contract has obligations for the benefit of the other party, each is considered the debtor of that party for what he has to do for the benefit of the other party, and at the same time, his creditor for those who have the right to demand from him.

387.3. The obligation does not create duties for persons who do not participate in it as a party (third parties). In cases provided by the agreement of the parties, the obligation may create rights for third parties on one or both sides of the obligation.

387.4. In contracts where one of the parties is a public body where a civil servant works, the civil servant cannot be the other party. [\[374\]](#)

From the obligation may arise the right to receive this or other information. providing info should be provided even if it is important to determine the content of the obligation counterparty can provide such information without prejudice to its rights. the recipient information shall pay the costs of providing it to the liable person.

Chapter 20.

Contract law

§1. Agreement terms and conditions

Article 389. Concept of contract

389.1. An agreement between two or more persons on the determination, modification or termination of civil rights and obligations is considered a contract.

389.2. The rules on bilateral and multilateral agreements are applied to contracts.

389.3. Unless otherwise specified in the rules of this chapter and the rules of this Code on types of contracts, the general provisions on obligations are applied to the obligations arising from a contract.

389.4. The general provisions on the contract are applied to contracts concluded by more than one party, provided that this does not contradict the multilateral character of those contracts.

Article 390. Freedom of contract

390.1. Natural and legal entities can freely enter into contracts and determine the content of the contracts. They can also conclude contracts that are not provided for in this Code, but do not contradict it.

390.2. The contract must comply with the binding rules (imperative norms) for the contract determined by the law and other legal acts in force at the time of its conclusion. If, after the conclusion of the contract, a law has been adopted that differs from the rules that were in force at the time of conclusion, defining other binding rules for the parties, the terms of the concluded contract are valid, but the cases in which the law determines that its validity applies to relations arising from previously concluded contracts are an exception.

390.3. Coercion to conclude a contract is not permitted, except in cases where the duty to conclude a contract is provided for in this Code or in a voluntary commitment.

390.4. The parties may conclude a contract (mixed contract) that includes the elements of different types of contracts provided for in this Code. If there is no difference from the agreement of the parties on the essence of the mixed contract, the rules on contracts with elements of the mixed contract shall be applied to the relations of the parties under the mixed contract in the relevant parts.

390.5. The terms of the contract are determined by the will of the parties, but the cases where the content of the relevant condition is specified in this Code are an exception.

390.6. If the contractual condition is stipulated in the applicable norm (dispositive norm)

norm based on the agreement or define a condition different from what it provides. In the of such an agreement, the terms of the contract are determined by the dispositive norm.

390.7. If the contract condition is not determined by its participants or by a dispositive n relevant conditions are determined by business practices that can be applied to the relation parties.

Article 391. Invalidity of the contract on future property

A contract in which one of the parties undertakes to give all or part of his future proper other party, or to encumber it with usufruct, is void, but the cases where the contract is concl separate objects of the future property , *as well as those specified by the Law of the Republic of Azerba Encumbrance of Movable Property” cases* are exceptions. [\[375\]](#)

Article 392. Invalidity of the contract concluded on inherited property

392.1. The contract concluded by other persons regarding the inheritance property of the s person is invalid. The same rule applies to contracts concluded on mandatory shares of the inl property of the surviving person and (or) his testamentary assignment.

392.2. The rule of Article 392.1 does not apply to the contracts concluded by the future hei the law about the share of one of them during the inheritance under the law and about the con share.

Article 393. Agreement on transfer of property

An agreement in which one of the parties undertakes to give all or part of the existing pro the other party, or to encumber it with usufruct, must be notarized, but the cases where the agre concluded on separate objects of the existing property are an exception.

Article 394. The procedure for concluding an agreement on the alienation of immovable p

A contract in which one party undertakes to give or acquire ownership of immovable pro other property rights to another party must be notarized. [\[376\]](#)

Article 395. Limits of the agreement on loading the goods

If a person undertakes to alienate or encumber his property, this obligation shall also app accessories of the item, unless otherwise stipulated *in the Law of the Republic of Azerba Encumbrance of Movable Property” or in the contract.* [\[377\]](#)

Article 396. Application of rules on contractual obligations to non-contractual obligation:

Article 397. Substituted and non-substituted contracts

397.1. If, according to the contract, the party has to receive a fee or other mutual consideration for the performance of its duties, that contract is considered to be negotiable.

397.2. If, according to the contract, one party undertakes to give something to the other without receiving a fee or other reciprocal consideration, that contract is considered gratuitous.

397.3. If there is no different situation from this Code, the content or essence of the contract is assumed that the contract is reciprocal.

Article 398. Price

398.1. The execution of the contract is paid at the price determined by the agreement of the parties. In the cases stipulated by the law, the prices (tariffs, norms, rates, etc.) determined or regulated by the relevant executive authority are applied.

398.2. After the conclusion of the contract, the price can be changed in the cases and according to the procedure stipulated in the contract or this Code.

398.3. If the contract does not specify a price and cannot be determined by the terms of the contract, the money for the performance of the contract must be paid at the price normally for similar goods, works or services in comparable circumstances.

Article 399. The validity of the contract [KMQ24](#)

399.1. The contract comes into force from the moment it is concluded and is binding for the parties.

399.2. The parties can determine that the terms of the contract they have concluded also apply to their relationship that existed before the conclusion of the contract.

399.3. It may be stipulated in the contract that the expiration of the period of validity of the contract leads to the termination of the obligations of the parties under the contract. A contract without a condition is considered valid until the moment of completion of the obligation specified in that contract.

399.4. Expiration of the validity period of the contract does not release the parties from their responsibility for the breach of the contract committed before the expiry of that period.

Article 400. General contract

400.1. If one of the parties to the contract has a dominant position in the market, he shall not unreasonably refuse to conclude a contract with the counterparty in this field of activity, as well as offer unequal terms to the counterparty.

400.2. With a person who acquires or uses property or services without entrepreneurial purpose to satisfy his own needs, if the other party is acting within the scope of his entrepreneurial activity, the contract cannot be unjustifiably refused to conclude a contract. [\[378\]](#)

Article 402. Preliminary contract

402.1. According to the initial contract, the parties undertake to conclude a future contract (contract) on the provision of property, performance of works or provision of services under conditions stipulated in that contract.

402.2. The initial contract is concluded in the form provided for the main contract. Non-observance of the rules on the form of the initial contract leads to its irrelevance. [\[380\]](#)

402.3. The initial contract must specify the terms that allow determining the subject of the contract, as well as other important terms.

402.4. The preliminary contract indicates the time frame in which the parties undertake to conclude the main contract. If this term is not specified in the initial contract, the main contract must be concluded within one year from the moment of conclusion of the initial contract.

402.5. If the main contract is not concluded before the end of the period during which the parties have to conclude it, or if one of the parties does not send an offer to conclude the contract to the other party, the obligations stipulated in the initial contract are terminated.

402.6. If the intention of the parties to give it initial contractual force is not directly expressed by an agreement of intent (protocol of intent, etc.), it does not give rise to civil law consequences.

Article 403. Contract in favor of a third party

403.1. A contract in favor of a third party is a contract in which the parties determine that they must perform the performance to a third party, specified or not specified in the contract, who has the right to demand the performance of the obligation from the debtor for his own benefit.

403.2. If this Code or the contract does not provide for a separate rule, or if there is no special situation arising from the nature of the obligation, both the creditor and the third party may demand the execution of the contract concluded in favor of the third party.

403.3. In the absence of special conditions, the following should be determined based on the circumstances of the case, including its purpose:

403.3.1. whether or not a third party should acquire a right;

403.3.2. this right arises immediately or if certain preconditions are met;

403.3.3. whether or not the parties to the contract have the right to terminate or change the contract without the consent of the third party.

403.4. The party that has made a reservation in favor of the third party in the contract reserves the right to change the third party specified in the contract, regardless of the counterparty's consent.

403.5. Unless otherwise stipulated in this Code or in the contract, the parties may not change the contract without the consent of the third party from the moment the third party informs the debtor of his intention to exercise his right under the contract.

403.6. The debtor can raise the objections he can raise against the creditor against the demand of the third party in the contract.

403.7. When the third party waives the right granted to him under the contract, the creditor loses that right, if it does not contradict this Code and the contract.

403-1.1. A derivative financial instrument is a contract that establishes the right to buy, sell or exchange an underlying asset. As the base asset, a security (except investment fund share), currency, interest rate, commodity, financial index, credit risk, etc. can perform. [\[382\]](#)

403-1.2. The placement and circulation of derivative financial instruments through the stock exchange in a standardized form is determined by the Central Bank. When operations with derivative financial instruments are carried out in another trading system in the cases provided for in the Law of the Republic of Azerbaijan "On the Securities Market", placement and circulation of derivative financial instruments is carried out in accordance with the rules of that trading system. [\[383\]](#)

403-1.3. Derivative financial instruments include futures, options and swaps.

403-1.4. Futures is a derivative financial instrument for the purchase and sale of an underlying asset of a specified type and quantity at a pre-agreed date and price.

403-1.5. An option is a derivative financial instrument that gives the holder the right unilaterally to buy or swap the underlying asset.

403-1.6. A swap is a derivative financial instrument for the exchange of the same type of underlying asset between two parties.

Article 404. Interpretation of the contract

404.1. When interpreting the terms of the contract, the court takes into account not only the literal meaning of the words and expressions in the contract, but also the true meaning of the will of the parties, and the comparison of the literal meaning of the contract as a whole with its other terms and conditions.

404.2. At this time, all relevant circumstances, including negotiations and correspondence preceding the contract, practice, business customs, and subsequent actions of the parties are taken into account.

404.3. If individual terms of the contract can be interpreted in different ways, the meaning accepted in the place of residence of the contracting parties shall prevail. If the residences of the parties are different, the residence of the acceptor is decisive.

404.4. When a contract contains mutually exclusive or ambiguous terms, the meaning that is most consistent with the content of the contract should be preferred.

404.5. When interpreting mixed contracts, the rules on contracts that are closer to the essence of the contract and correspond to it are applied.

Article 404-1. Public procurement contract [\[384\]](#)

The relations regarding the public procurement contract are regulated in accordance with the legislation of the Republic of Azerbaijan on public procurement.

§ 2. Conclusion of the contract

405.1. The contract is considered concluded when the parties agree on all the important terms of the contract in the required form. Conditions related to the subject of the contract, conditions not important or necessary for contracts of that type in this Code, as well as all conditions on which the agreement should be reached at the request of one of the parties are considered important.

405.2. A contract is concluded by one of the parties sending an offer (offer to conclude a contract) and the other party accepting it (acceptance of the offer).

Article 406. Form of the contract

406.1. The contract may be concluded in any form provided for the conclusion of contracts of that type provided that this Code does not specify a specific form for that type of contract. [\[385\]](#)

406.2. If the parties have stipulated to conclude the contract in a certain form, even if such form is not required by this Code for that type of contract, the contract is considered concluded after it is concluded into a stipulated form.

406.3. A contract in written form can be concluded by drawing up a document signed by both parties, as well as by exchanging *letters, telegrams, electronic documents or other data in accordance with Article 331.1 of this Code*. [\[386\]](#)

Article 407. The moment of conclusion of the contract

407.1. The contract is considered concluded when the person who sent the offer receives the offer's acceptance.

407.2. A simple written contract is considered concluded from the moment it is duly signed by both parties. A notarized contract is concluded from the moment it is duly confirmed. [\[387\]](#) [KMQ9](#)

407.3. *Removed.* [\[388\]](#)

Article 408. Offer

408.1. An offer to conclude a contract is considered to have been made when the offeror, alone or with one or more persons states that the person who made it (the offeror) is ready to implement the offer upon agreement (acceptance). Important conditions of the contract should be reflected in the offer.

408.2. An offer addressed to an indefinite group of persons (including an advertisement) is considered an invitation to an offer, if no other rule is directly indicated. [\[389\]](#)

408.3. The offer binds the person who sent it from the moment the addressee receives notice of withdrawal of the offer is received before or at the same time as the offer itself, the offer is deemed not to have been made.

408.4. *Removed.* [\[390\]](#)

408.5. *Removed.* [\[391\]](#)

408.7. If it is clear from the proposal that reflects all the important terms of the contract, the person who proposed it to conclude the contract with any person who responds under conditions specified in the proposal, such proposal is considered a general offer. [\[392\]](#)

Article 409. Acceptance

409.1. The response of the person to whom the offer is addressed to accept the offer is considered acceptance. Acceptance must be complete and unconditional.

409.2. If the offeror has specified a period for acceptance, the acceptance can be carried out within that period.

409.3. If a different rule does not follow from this Code, business custom or the previous relations of the parties, silence is not considered acceptance.

409.4. If a separate rule is not provided in this Code or a separate rule is not indicated in the offer, it is acceptable for the person who received the offer to take actions to fulfill the contractual obligations specified in the offer (deliver the goods, provide services, perform work, pay the appropriate amount, etc.) within the period determined for its acceptance. This is considered acceptance.

409.5. If the acceptance reaches the offeror late and it is known from the acceptance that it is late, the acceptance can be considered late only if the offeror immediately informs the other party about it. If the party that sent the offer immediately informs the other party that it accepted the offer, the contract is considered concluded.

409.6. If the notice of withdrawal of acceptance reaches the person who sent the offer before the same time as the acceptance, the acceptance shall be deemed not received.

409.7. If the period for acceptance is specified in the offer, the contract is considered concluded when the person who sent the offer receives the acceptance within the period specified in the offer.

409.8. If the deadline for acceptance is not specified in the written offer, the contract is considered concluded under the condition that the person who sent the offer received the acceptance within the expiration of the period specified in this Code, and if such a period is not specified, within the period necessary for this.

409.9. If the offer was made verbally without specifying a period for acceptance, the contract is considered concluded when the other party immediately expresses the acceptance of the offer.

409.10. Except for the cases provided for in Article 409.8 of this Code, the offer given to the person at the address must be accepted or rejected immediately. [\[393\]](#)

409.11. With the exception of the cases provided for in Article 409.8 of this Code, an offer to a person who is not at his address can be accepted only until the time when the person who received the offer can normally expect a response. [\[394\]](#)

Article 410. New offer

410.1. Late acceptance of an offer is considered a new offer.

410.2. If the answer expresses the agreement to conclude the contract on other terms than

Article 411. Place of conclusion of the contract

411.1. If the place of its conclusion is not indicated in the contract, the contract is considered concluded at the place of residence of the natural person who sent the offer or at the place of entity.

411.2. A contract concluded between a consumer and a person trading on the street, in front of a house and similar places within the limits of his enterprise is valid only if the consumer renounces the contract in writing within one week, except for the cases where the contract is excluded from the time of conclusion.

Article 412. Refusal of a party to conclude a contract - *removed*. [\[395\]](#)

Article 413. Acknowledgment of debt - *withdrawn*. [\[396\]](#)

Article 414. Conclusion of the contract at the auction

414.1. If a different rule does not follow from the essence of the contract, it can be concluded by holding an auction. The contract is concluded with the person who won the auction.

414.2. The owner of the property or the owner of property rights or a specialized organization can act as the organizer of the auction. A specialized organization acts on the basis of a contract concluded with the owner of the property or the owner of the property right and acts on their behalf or on its own behalf.

414.3. In the cases specified in this Code, contracts for the sale of property or property rights are concluded only through an auction.

414.4. The auction is held in the form of an auction or a competition. The person who offers the highest price is deemed to have won the auction at the auction, and the person who offered the best terms according to the opinion of the competition commission pre-determined by the organizer of the auction is considered to be the winner of the auction.

414.5. Unless otherwise stipulated in the legislation, the form of the auction is determined by the organizer of the sold property or the owner of the right to the sold property. [\[397\]](#)

Article 415. Organization and conduct of the auction

415.1. Auctions and contests can be open or closed. Any person can participate in open auctions and open competition. Only persons invited for this purpose participate in the closed auction and in the competition.

415.2. Unless otherwise stipulated in the legislation, the organizer must notify the auction no later than thirty days before its holding. The notification should contain the time, place and form of the auction, its subject and procedure, including formalization of participation in the auction, identification of the person who won the auction, as well as the starting price and other information determined by the legislation. If the subject of the auction is the right to conclude a contract, the notice of the auction is

415.3. Unless otherwise provided in this Code or in the auction notice, the public auction organizer who sent the notice may refuse to hold the auction at any time, but no later than three days before the day of its holding, and to hold the competition no later than thirty days before its holding. If the organizer of the open auction refuses to hold it in violation of those terms, he must pay compensation for the real damage caused to the participants. The organizer of a closed auction or a closed competition must pay compensation for the real damage caused to the participants he invited, regardless of the period of time after the notification of rejection of the auction.

415.4. The participants of the auction bid in the amount, time and manner specified in the notice. If the auction does not take place, the bet must be returned. Those who participate in the auction, but did not win it, are also refunded. When a contract is concluded with the person who won the auction, the amount of the bid is included in the account of the performance of obligations under the concluded contract.

415.5. The person who won the auction and the organizer of the auction sign a protocol on the results of the auction on the day of the auction or competition; this protocol has the force of a contract. If the person who won the auction refuses to sign the protocol, he loses his bet. The auction organizer who refuses to sign the protocol must return the quince in double amount to the person who won the auction, as well as compensate for the damage caused as a result of participating in the auction.

415.6. If the subject of the auction was only the right to conclude a contract, the parties must conclude such a contract no later than twenty days after the end of the auction and formalization of the contract, or any other period specified in the notification.

415.7. If one of them refuses to conclude the contract, the other party can apply to the court to request to compel the conclusion of the contract, as well as to pay compensation for the damage caused as a result of the refusal to conclude it.

Article 416. Consequences of violation of auction rules

416.1. An auction conducted in violation of the rules defined in this Code may be invalidated by the court at the claim of an interested person.

416.2. The invalidity of the auction leads to the invalidity of the contract concluded with the person who won the auction.

§ 3. Standard terms of the contract

Article 417. Definition of standard terms of the contract

417.1. The standard terms of the contract are pre-defined, repeatedly used terms that are proposed by one party (the offeror) to the other party, and the rules that differ from the predetermined norms complement these norms are determined through them.

417.2. If the parties have defined the terms of the contract in detail, these are not considered standard terms of the contract.

417.3. Terms agreed directly by the parties are preferred over standard terms.

418.1. The standard terms of the contract become an integral part of the contract concluded by the party who proposed it and the other party only if the proposing party writes a visual note in the place of the conclusion of the contract and refers to these terms, and the other party has the opportunity to familiarize with those terms and, if he agrees, to accept these terms.

418.2. If the other party to the contract is an entrepreneur, the standard terms and conditions of the contract become part of the contract, provided that he has to provide for it if he shows the necessity in business relations.

Article 419. Unusual provisions of standard terms of contracts

419.1. Due to the unusual form of the standard terms of contracts, provisions that the other party could not foresee do not become part of the contract.

419.2. All ambiguities encountered while interpreting the standard terms of the contract are interpreted to the detriment (against) of the party who proposed to include the terms containing the contract. [\[399\]](#)

Article 420. Invalidity of standard terms of the contract

420.1. In the standard conditions of the contract applied by the proposed party to natural persons who are not engaged in entrepreneurial activity, the following are considered invalid:

420.1.1. clauses stating that the party who made the offer determines a disproportionately obviously short period of time (time periods for acceptance and execution of the offer) for accepting the offer or rejecting it or performing this or that work;

420.1.2. clauses stating that the proposed party sets disproportionately long or unclear (periods in case of breach of obligations) that differ from predetermined norms for the performance of its obligations;

420.1.3. clauses that give the right to refuse the performance of its obligation (contract condition) without reason and without the grounds specified in the contract;

420.1.4. clauses that give the offering party the right to change or refuse the promise provided that the agreement on this is unacceptable to the other party to the contract (contract condition);

420.1.5. clauses that give the offering party the right to demand disproportionate compensation (disproportionately high compensation for the costs incurred) for the costs incurred by the other party to the contract.

420.2. A standard term of a contract, even if it is included in the contract, is void if it is detrimental to the other party to the contract contrary to the principles of trust and good faith. At this time, the conditions under which those conditions are included in the contract, the mutual interests of the parties, etc. should be taken into account.

420.3. In the standard conditions of the contract applied by the proposed party to individuals who are not engaged in entrepreneurial activity, the following are also considered invalid:

420.3.2. provisions that limit or exclude the right of the contracting party to refuse to perform obligations assigned to him by this Code or the right to refuse to perform the contract until the party to the contract fulfills its obligations (right to refuse to perform);

420.3.3. provisions depriving the party of the contract of the right to compensation determined by a court decision without doubt (prohibition of compensation of mutual claims);

420.3.4. Provisions exempting the proposing party from the obligation stipulated by law to the other party of the contract or to give it a period for the performance of the obligation (warning of non-performance of the obligation; setting a period of time);

420.3.5. an agreement to demand an amount greater than the amount of damages (independent demand for damages);

420.3.6. provisions that exclude or limit liability for damage caused as a result of breach of contract due to the gross negligence of the offering party or its representative (responsibility for negligence);

420.3.7. which restricts or deprives the other party of the right to refuse the contract in the event that the proposed party violates the main obligation, or deprives the other party of the right to demand compensation for damages caused as a result of non-performance, or contrary to Article 420.3.6. provisions limiting this right (violation of the requirement to perform the main obligation);

420.3.8. the right to demand the other party to pay compensation for non-fulfillment of the contract in the event that the offering party performs the obligation in parts, or if he is not interested in partial performance (loss of interest when the obligation is performed in parts), and provisions disqualifying the contract;

420.3.9. provisions that limit the offeror's liability for defects in the goods when the goods are shipped and in the works, as opposed to the rules.

§ 4. Modification and cancellation of the contract

Article 421. Grounds for changing and canceling the contract

421.1. Changing and canceling the contract is possible by agreement of the parties, unless otherwise stipulated in this Code or the contract.

421.2. At the request of one of the parties, the contract can be changed or canceled only if the party significantly violates the contract or in other cases stipulated by this Code or the contract. Termination of contract by one of the parties is considered a material breach when, as a result of the damage caused to the other party, he is substantially deprived of what he had the right to expect at the time of conclusion of the contract. [\[400\]](#)

421.3. In case of unilateral refusal to perform the contract in whole or in part, and if such is not permitted by this Code or by agreement of the parties, the contract shall be considered canceled and modified accordingly. [KMO24](#)

Article 422. Modification and cancellation of the contract due to a significant change in circumstances

on to change or cancel it. A change in circumstances is considered material if the parties who concluded the contract on significantly different terms or not at all if they could have reasonably foreseen the change. Misconceptions of the parties based on the contract are considered to be a circumstance. [\[401\]](#)

422.2. If the parties do not agree on the adaptation or cancellation of the contract to the significantly changed conditions, the contract may be canceled by the court at the request of the interested party if the following conditions exist, and it may be changed if there are grounds provided for in Article 422.2.1.

422.2.1. at the time of the conclusion of the contract, the parties assumed that the conditions would not change to this extent;

422.2.2. are the reasons that cause the change of conditions, which after their occurrence the interested party cannot eliminate these reasons with the care and caution required of him due to the nature of the contract and the conditions of the turnover;

422.2.3. its execution without changing the terms of the contract would violate the ratio of the interests of the parties according to the contract to such an extent and would harm the interest of the party to such an extent that he would be deprived of what he had the right to hope for when the contract was concluded;

422.2.4. it does not follow from business practices or from the nature of the contract that the interested party bears the risk of changes in circumstances.

422.3. When the contract is canceled due to significantly changed circumstances, at the request of any of the parties, the court determines the consequences of the cancellation of the contract based on the need for a fair distribution of the costs incurred in connection with the execution of the contract between the parties.

422.4. Changing the contract due to a significant change in circumstances is allowed by the court in exceptional cases where the cancellation of the contract is against the public interest and the parties will suffer damages that are much higher than the costs necessary for the execution of the contract under the conditions changed by the court.

Article 423. The procedure for changing and canceling the contract

423.1. The agreement on changing or canceling the contract is concluded in the same form as the contract, unless a different rule follows from this Code, the contract or business practices.

423.2. A party may file a request to change or cancel the contract to the court only if the other party rejects the offer to change or cancel the contract or does not receive a response from the other party within the period specified in the proposal, or within thirty days if no time is specified. [KMQ24](#)

Article 424. Consequences of changing and canceling the contract

424.1. When the contract is changed, the obligations of the parties are preserved in a modified form.

424.2. When the contract is terminated, the obligations of the parties are terminated.

424.3. When changing or canceling the contract, unless a different rule follows from the agreement of the parties and the nature of the change of the contract, from the moment of the conclusion of the contract.

424.4. If a separate rule is not defined by this Code or by agreement of the parties, they cannot demand the return of what they have performed under the obligation until the contract is changed or canceled.

424.5. If the change or cancellation of the contract was based on a significant breach of it by the parties, the other party may demand compensation for the damage caused as a result of the change or cancellation of the contract.

Chapter 21.

Execution of obligations

Article 425. Honesty in performance of obligations

425.1. When exercising their rights and performing their duties, each of the parties shall act in the manner required by good faith, that is, at the stipulated time and place, in accordance with the nature of the obligation and the requirements of this Code, and in the absence of such conditions, in accordance with business customs or other requirements that are usually put forward.

425.2. When performing the obligations, the parties must act together to create the basis for the fulfillment of the contract and refrain from any actions that may hinder the achievement of the purpose of the contract or endanger the performance of the obligations.

Article 426. Place of performance of obligations

426.1. The place of performance of obligations is determined by the will of the parties, if no other rule is determined by this Code or by the contract, or if no other rule follows from the essence of the obligation.

426.2. If the place of execution of the obligation has not been determined, the execution is carried out in the following places:

426.2.1. in the case of an obligation to provide a plot of land, building, facility or other immovable property - where the property is located;

426.2.2. if the obligation consists in the delivery of a certain item - where that item is at the time of the conclusion of the contract;

426.2.3. for all other obligations - at the place of residence of the debtor, if the debtor is a legal entity - where he was at the time of the formation of the obligation relationship.

426.3. If the obligation arises at the debtor's production facility, if the facility is not at his residence, it is performed at the location of the debtor's facility.

426.4. It cannot be concluded that the place of destination is the place of performance of the obligation merely on the basis that the debtor bears the shipping costs.

427.1. If the deadline for performance of the obligation is set, the creditor cannot demand performance until the deadline, but the debtor can perform it before the time.

427.2. If the performance period of the obligation has not been determined or due to circumstances it is impossible to determine it, the creditor may demand the immediate performance of the obligation and the debtor is obliged to perform it within a reasonable time.

427.3. If the obligation specifies or permits the determination of a day of performance or a period of time during which it is to be performed, the obligation shall be performed on that day or at any time during such period.

427.4. The debtor is obliged to perform the obligation that has not been performed within a reasonable time, as well as the obligation determined by the moment of the demand for the performance period, within seven days from the day the creditor puts forward the demand for performance, provided that this Code, the conditions of the obligation, business customs or the nature of the obligation do not allow to perform the performance in a different time. This does not come forward.

427.5. If the performance period of the obligation depends on the occurrence of any condition, the obligation must be performed from the day of the occurrence of that condition.

Article 428. Premature performance of the obligation

428.1. If the creditor does not refuse to receive the performance due to a good reason, the debtor can perform the obligation ahead of time.

428.2. Premature performance of the obligation related to the engagement of the party in entrepreneurial activity is allowed only if the possibility of premature performance of the obligation is provided for in this Code or in the terms of the obligation, or if it follows from the nature of business circulation or the nature of the obligation.

428.3. If the execution time is determined, in case of doubts, it is assumed that the creditor can demand the execution of the demand until that time, and the debtor can execute the obligation before the time.

428.4. When any period is set in favor of the debtor for the performance of the obligation and the debtor loses the ability to pay or reduces the conditional security, or in general, cannot provide security, the creditor may demand immediate performance, *unless otherwise provided by law or otherwise*.

[\[402\]](#)

Article 429. Determining the terms of performance of obligations - removed. [\[403\]](#)

Article 430. Refusal to perform the obligation

430.1. If this Code does not provide for a separate rule, unilateral refusal of the performer to perform the obligation and unilateral change of its conditions are not allowed.

430.2. Unilateral refusal to perform the obligation related to the engagement of the party in entrepreneurial activity or the unilateral change of the conditions of such an obligation, if no other rule follows from the nature of business circulation or the nature of the obligation, is not allowed.

430.4. Refusal of obligations in electronic commerce is permitted in accordance with the law of the Republic of Azerbaijan on electronic commerce. [\[405\]](#)

Article 431. Execution of the obligation by a third party

431.1. In cases where the performance of the obligation depends on him, as well as in cases is derived from this Code, the contract or the nature of the obligation, the debtor must perform obligation personally. In all other cases, a third party can perform the obligation instead of the debtor and the debtor's consent is not required. In this case, ~~according to the Law of the Republic of Azerbaijan "On Banks"~~, it is not required to amend the contract concluded with the creditor. [\[406\]](#)

431.2. The creditor may not accept the performance offered by a third party if the debtor is not in favor of it.

431.3. If the creditor directs compulsory enforcement against the thing belonging to the debtor or any person who is in danger of losing rights to this thing as a result of compulsory enforcement, the creditor should provide the creditor. When the third party secures the creditor, the right of claim is transferred to the third person. The demand should not be passed to the detriment of the creditor.

Article 432. Partial performance of the obligation

432.1. If the creditor agrees, the debtor can perform the obligation in parts (partial performance of the obligation).

432.2. If a separate rule is not provided in this Code, in the terms of the obligation, and a rule does not follow from the nature of the obligation, the creditor may not accept partial performance of the obligation.

432.3. If the debtor has to perform several obligations of the same type to the creditor and is not able to pay all the obligations performed by him, the obligation determined by the debtor is paid during the execution. If the debtor does not specify the obligation to be paid, then the obligation with less security in the creditor is paid first from the obligations that have reached the maturity, then the one that is more burdensome for the debtor from the obligations with equal guarantee, then the obligation that is older than the obligations that are equally burdensome, and all the obligations with the same term are paid.

432.4. If, in addition to the performance of the main obligation, the debtor has to pay interest and expenses, the performance of the obligation, which is insufficient for the payment of the entire debt, is included first in the account of expenses, then in the account of interests, and finally in the account of the main obligation. Any other rule determined by the debtor is invalid.

Article 433. Execution of the request to the authorized person

433.1. The debtor must pay his obligation to the creditor or to a person authorized by law or order to accept execution.

433.2. If the execution of the obligation is accepted by an unauthorized person, the obligation is not extinguished.

433.3. During the performance of the obligation, the debtor may request the submission of proof that the creditor himself or an authorized person has accepted the performance, and he bears the consequences of not making such a request.

Article 434. Alternative obligation

434.1. The right to choose when one of several obligations (alternative obligation) shall be performed belongs to the debtor, unless a different rule follows from the contract, this Code provides for the nature of the obligation. If the right to choose belongs to the creditor, the debtor can ask him to perform the obligation by setting a reasonable period. If the creditor does not choose the obligation in time, at the expiration of that period, the right to choose is transferred to the debtor.

434.2. If the debtor has the right to refuse one of the two actions to be performed, the obligation to perform the other action remains valid.

434.3. The selection of an alternative obligation is performed by declaring it to the other party when performing the execution. The selected obligation is considered a default obligation.

434.4. The rules of Articles 434.1, 434.2 and 434.3 of this Code are also applied in cases where the subject of choice consists of more than two obligations to be performed.

Article 435. Creditor's right to accept other execution

The creditor has the right to accept performance different from that provided for in the contract, but is not obliged to accept it. This rule remains valid even if the cost of execution is greater.

Article 436. Quality of performance of the obligation

If the quality of performance is not specified in the contract, the debtor must perform average quality work and deliver an item of average quality.

Article 437. Execution of the obligation when the subject of the contract is an individual item

437.1. If the subject of the contract is an individual item, the creditor is not obliged to accept a different item, even if its value is higher.

437.2. If the debtor is obliged to give a specific thing, he must give the same thing of average quality and quantity. If the debtor has done everything necessary for the delivery of that item, the debt of the creditor is limited to this item.

Article 438. Execution of the obligation when the subject of the contract is a kind object

If the subject of the contract is a replaceable thing (thing in kind), the debtor is always obliged to perform the obligation.

439.1. The monetary obligation must be expressed in manat. If one of the parties is a foreign or legal entity, the parties may determine the monetary obligation in a foreign currency, if it is not prohibited by law.

439.2. If the monetary obligation in a foreign currency is to be paid in the Republic of Azerbaijan, it is paid in manat, except for the cases where it is stipulated that the payment should be made in a foreign currency. Recalculation is carried out at the time of payment at the exchange rate of the currency at the time of payment.

439.3. When interest must be calculated on the debt according to the law or the contract, otherwise specified by this Code or the contract, they are calculated in the amount of the discount determined by the Central Bank of the Republic of Azerbaijan with the addition of two percentage points, but not less than five percent per year. [\[407\]](#)

439.4. Money paid out of liability may be reclaimed under the unjust enrichment rules.

439.5. If there is doubt about the place of execution of a monetary obligation, the obligation is executed at the place of the creditor (the place of residence of a natural person or the place of the legal entity).

439.6. If the creditor has a bank account designated for money transfer in the place or where the payment is to be made, the debtor can fulfill his monetary obligation by transferring money to that account, except in cases where the creditor objects.

439.7. If the value (rate) of the monetary unit has increased or decreased or the currency has changed before the payment deadline, the debtor must make the payment at the exchange rate corresponding to the time the obligation was formed, unless otherwise stipulated in this Code or the contract. When the currency changes, the basis of exchange relations should be the exchange rate existing between those currency units on the day of the currency change.

Article 440. Order of payment of monetary obligations

440.1. If several similar executions arising from various obligations have been entrusted to the debtor for the benefit of the creditor, and those executed are not sufficient for the payment of the obligation chosen by the debtor during the execution is paid, and if the debtor does not choose, the debt that reaches the payment period first is paid.

440.2. If the terms of execution of demands reach at the same time, the demand which is most difficult for the debtor to execute must be paid first.

440.3. If the requests are equally burdensome, the less satisfied request should be processed first.

~~440.4. Due to the debtor's payments, which are not sufficient to cover all the debts that reached the maturity date, court costs are paid first, then the main execution (debt) and, finally, interest.~~

[KM5](#)

Article 441. Mutual performance of obligations

441.1. It is considered mutual performance if one of the parties' performance of the obligation is conditioned by the performance of the other party's obligations in accordance with the contract.

y under the mutual performance obligation may suspend the performance of its obligation or refuse to perform the obligation and demand compensation for the damage.

441.3. If the performance of the obligation stipulated in the contract is not carried out in part by one party to the mutual performance obligation, the other party may suspend the performance of its obligation or refuse to perform the part corresponding to the unfulfilled performance.

441.4. If the mutual performance of the obligation is carried out despite the fact that one party has not fulfilled the obligation stipulated in the contract, the other party must fulfill its obligation.

441.5. The rules stipulated in Articles 441.2-441.4 of this Code are applied unless a separate rule is provided in the contract.

Chapter 22.

Failure to perform obligations

Article 442. Concept of non-performance of obligation

Non-performance of an obligation is understood as its violation or improper performance (failure to perform on time, defects in goods, works and services, or performance by violating other conditions determined by the content of the obligation).

Article 443. Compensation for damage caused by non-fulfillment of the obligation

443.1. The debtor who fails to fulfill his obligation is obliged to compensate the creditor for the damage caused. This rule does not apply if the debtor is not held liable for breaching the obligation.

443.2. Damage is determined according to the rules stipulated in Article 21 of this Code.

443.3. If this Code or the contract does not provide for a separate rule, when determining the amount of damage, the prices that existed on the day when the debtor voluntarily paid the creditor's demand, or the prices that existed on the day when the court issued a decision, are taken into account.

443.4. When determining the lost benefit, the measures taken by the creditor to obtain it, including preparatory work carried out for this purpose, are taken into account.

443.5. If the debtor delays the performance, the creditor can set him the necessary time for the performance of the obligation. If the debtor does not perform the obligation within this period, the creditor may demand compensation for damages instead of the performance of the obligation.

443.6. If it is clear that setting an additional period will not bring any result, or if there are other circumstances that justify the immediate use of the right to demand compensation for damages, taking into account the interests of both parties, there is no need to set an additional period.

443.7. If a separate rule is not provided for in the obligation and a different rule does not apply to it, the debtor is only obliged to compensate for the damage caused as a result of inten-

443.8. If the debtor does not perform the obligation as a result of deliberate actions, permissible for the parties to agree in advance to exempt him from paying compensation damage.

443.9. The debtor must bear responsibility for the actions of his legal representative and persons whose services he uses for the performance of his obligations to the extent of his own actions.

443.10. If the debtor has to buy the object of execution from another person and cannot buy also responsible for non-execution, unless otherwise stipulated in the contract.

Article 444. Adaptation of the contract to the changed circumstances - removed. [\[408\]](#)

Article 445. Debtor's delay in execution

445.1. The debtor who has delayed the performance shall be liable to the creditor for the damage caused as a result of the delay and for the consequences of impossibility of performance that has occurred accidentally during the delay.

445.2. The following cases are considered the debtor's delay in execution:

445.2.1. non-fulfillment of the obligation within the period specified for its fulfillment;

445.2.2. failure to perform the obligation even after the creditor's warning before the performance period.

445.3. If the debtor does not perform the obligation despite the creditor's reminder and the expiration of the performance period, he is considered to have delayed the performance accordingly. Claiming the performance of the obligation, as well as delivering a written receipt for performance, is considered as a reminder.

445.4. When a calendar day is set for execution, if the debtor does not perform the obligation by the appointed time, he is considered to have delayed the execution without a reminder. The same applies when the obligation is canceled before execution, if the performance period is set and it is possible to calculate it according to the calendar from the moment of cancellation.

445.5. If the obligation is not performed as a result of events that occurred without the fault of the debtor, this is not considered a delay.

445.6. If the debtor does not prove that the damage can occur during the timely performance of the obligation, he is also liable for accidental circumstances. [\[409\]](#)

445.7. *Unless otherwise stipulated in this Code or the contract, if the debtor delays the payment of the money, the creditor may demand the payment of five percent per annum for the delayed amount.* [\[410\]](#)

445.8. If the creditor loses his interest in execution as a result of the debtor's delay in execution, he may refuse to accept execution and demand compensation for damages. As long as the obligation has not been performed due to the delay of the creditor, the debtor is not considered to have delayed the performance. [\[411\]](#)

445.9. If the debtor delays the performance, the creditor may grant him additional time to perform the obligation. If the debtor performs the obligation during that additional time, he is not considered to have delayed the performance.

Article 446. Creditor's delay in execution

446.1. If the creditor does not accept the performance that is due and is offered to him, debtor does not perform the actions expected of him in order to fulfill his obligation, he is considered to have delayed the performance.

446.2. The creditor's delay in execution entitles the debtor to compensation for the damages as a result of the delay, provided that the creditor does not prove that the delay occurred in circumstances for which neither he nor the persons entrusted with the execution are responsible.

446.3. The debtor of the monetary obligation does not have to pay interest for the period the creditor delays the execution.

446.4. In the event of the creditor's delay in execution, the debtor is liable for non-execution of the obligation only on the condition that the execution is impossible as a result of the debtor's bias or negligence.

446.5. During the delay, the creditor, regardless of his fault:

446.5.1. must compensate the debtor for the excess expenses incurred in connection with the maintenance of the subject of the contract;

446.5.2. he bears the risk of accidental damage or destruction of the item;

446.5.3. no longer has the right to receive interest for the monetary obligation.

446.6. If the debtor is unable to perform the obligation within the time limit set for the action by the creditor by the time of the proposed performance, the creditor shall not be deemed to have delayed the performance.

446.7. If the debtor has to perform the obligation only after the execution of the mutual obligation by the creditor, the creditor is considered to have delayed the execution when he does not perform the required execution of the mutual obligation without refusing the proposed execution.

446.8. If the period of performance of the obligation has not been determined or the debtor does not have the right to perform the obligation by the appointed time, the creditor is not considered to have delayed the performance due to his temporary inability to accept the proposed performance, cases where the debtor offers him the performance within a reasonable period of time are an exception.

446.9. If the subject of the obligation is an individual item, and the reason for the creditor's delay in performance is the rejection of the offered item of the same type, the debtor's performance is limited to the offered item, and the risk of its destruction or accidental damage is transferred to the creditor.

Article 447. Failure to fulfill obligations in bilateral contracts [KMQ24](#)

447.1. If one party to a bilateral agreement does not fulfill its obligations arising from the agreement, the other party to the agreement may withdraw from the agreement after the additional period set for the fulfillment of obligations has expired without results. If an additional period is applicable based on the nature of the breach of the obligation, the notice is equivalent to the irrevocability of an additional period. If only part of the obligation has not been performed, the creditor can withdraw from the contract only if he loses interest in the performance of the remaining part of the obligation.

447.2. There is no need to set an additional period or give notice in the following cases:

447.2.2. if the obligation is not performed within the period specified in the contract creditor, according to the contract, closes the continuation of relations with the timely perform the obligation;

447.2.3. when the immediate termination of the contract is justified on special grounds an into account mutual interests.

447.3. In the following cases, it is not permissible to withdraw from the contract:

447.3.1. if the breach of obligation is minor;

447.3.2. when the creditor himself is totally or mainly responsible for the breach of obligatic

447.3.3. if there is a mutual demand against the obligee that has already been put forward debtor or will be put forward immediately after the contract is abandoned.

447.4. The creditor may refuse the contract until the expiration of the performance perio clear that the grounds for the contract rejection will occur.

447.5. The debtor can set a reasonable period for the creditor to withdraw from the contract

447.6. If, according to a bilateral contract, the debtor can refuse the obligations imposed on l the situation that gave him this right arose due to the fault of the creditor, he retains the right t counter-execution. This rule does not apply if the answer to enforcement occurs when the j creditor delays obtaining enforcement.

447.7. When withdrawing from the contract, the creditor may demand compensation damage caused to him as a result of non-performance of the contract. This rule does not app principal to withdraw from the contract was not caused by the fault of the debtor.

Chapter 23.

Liability for non-performance of obligations

Article 448. Liability of the debtor for non-fulfillment of obligations

448.1. Unless otherwise specified by this Code and the contract, the debtor is responsib cases of non-fulfillment of obligations that fall under his risk.

448.2. The debtor is responsible for each culpable breach of his obligations (action or inacti debtor cannot be released from liability in advance due to fault, that is, due to prejudice negligence.

448.3. The debtor must be responsible for the actions or inactions of his legal representat persons whose services he uses for the full or partial performance of his obligation to the exten is responsible for his own actions or inactions.

448.4. The obligee is not liable for the breach of the obligation on the condition that he pr the breach arose from a situation for which he was not responsible and that it was impossible t that he could have taken that situation into account when concluding the contract, or cou excluded or eliminated this situation or its consequences. If the debtor is aware of the obstacle o

orm. If the creditor does not receive the information immediately, the debtor is liable for incurred by the creditor due to the failure to receive the information on time.

Article 449. Liability for non-performance of monetary obligation [KM2](#)

449.1. Interest shall be paid on the amount of the funds due to the illegal retention of person's funds, refusal to return them, delaying their payment in other ways, or unjustified ac or collection of funds at the expense of another person. *Unless otherwise specified in the law or the the amount of interest is determined by the bank rate for the day of execution of the monetary ol or its relevant part. When the debt is seized by court order, the court can satisfy the creditor's based on the bank rate for the day of the decision . [\[413\]](#)*

449.2. The bank discount rate is determined by the Central Bank of the Republic of Azerbaij

449.3. If the damage suffered by the creditor as a result of the illegal use of his funds exc amount of interest due to him according to Article 449.1 of this Code, the creditor may require th to pay for the damage in the part that exceeds that amount.

449.4. Interest for the use of other funds is charged until the day when the amount of the paid to the creditor, unless a shorter term for the calculation of interest is specified *in this Code contract. [\[415\]](#)*

Article 450. Execution of the obligation in kind

450.1. In case of improper performance of the obligation, the payment of money and dama not release the debtor from the performance of the obligation in kind, unless otherwise stipulate Code or the contract.

450.2. In case of non-fulfillment of the obligation, payment of compensation for dama payment of fines for non-fulfilment shall release the debtor from the fulfillment of the obligation unless otherwise stipulated in this Code or the contract. [\[416\]](#)

450.3. The creditor's refusal to accept the performance in which he has lost his interest due as well as the payment of the money for the penalty, which is defined as the penalty fee, frees th from the performance of the obligation in kind. [\[417\]](#)

Article 451. Execution of the obligation at the expense of the debtor

If the debtor does not fulfill his obligation to prepare the property and give it to the c ownership or to make the property available to the creditor or to perform certain work for h provide him with a certain service, the creditor, unless a different rule follows from this C contract or the nature of the obligation, at a reasonable price and within a reasonable time may the performance of the obligation to third parties or perform it by its own forces and may rec debtor to pay for the necessary costs and other damages incurred.

452.1. If the obligation to transfer a specific object to the property of the creditor or for its use is not fulfilled, the creditor may demand that the property be taken from the debtor's hands given to him under the conditions stipulated in the obligation. This right disappears if the property is transferred to a third party with the right of ownership. If the property has not yet been transferred, priority is given to the creditor in favor of which a claim has been created earlier, and if this is determined, to the earlier claimant.

452.2. The creditor may demand compensation for damages instead of demanding the performance of the obligation that is the subject of the obligation.

Article 453. Subsidiary liability

453.1. The creditor shall make a claim against the principal debtor before making claims against a person who bears additional responsibility (subsidiary liability) to the responsibility of another person who is the principal debtor according to this Code or the terms of the obligation.

453.2. If the principal debtor has refused to pay the creditor's claim or the creditor has not received an answer to the claim made by the creditor within a reasonable time, this claim may be brought against the person who bears subsidiary liability.

453.3. If the creditor's claim to the main debtor can be satisfied by offsetting the mutual claims of the main debtor, the creditor cannot demand the payment of this claim from the person who bears subsidiary responsibility.

453.4. The person who bears subsidiary responsibility must notify the main debtor before the creditor's claim against him, and when a claim is filed against that person, he must involve the main debtor in the case. Otherwise, the principal debtor has the right to raise objections against the creditor's claims against the recourse claim of the subsidiary liable person.

Article 454. Limiting the size of liability for obligations

454.1. The right to full compensation for damage may be limited by law for certain obligations and for obligations related to a certain type of activity (limited liability).

454.2. An agreement on limitation of the extent of liability of the debtor under the contract or under another agreement where the creditor is a natural person acting as a consumer for that type of obligation or the extent of liability for that violation is defined by this Code and the agreement is for non-performance or improper performance of the obligation it is immaterial if the agreement is concluded before the events giving rise to the liability occurred.

Article 455. Special bases of liability of a person engaged in entrepreneurial activity for non-performance of obligation - removed. [\[418\]](#)

Article 456. Liability of the debtor for the actions of his employees

Article 457. Debtor's responsibility for the actions of third parties - removed. [\[419\]](#)

Article 458. Consequences of violation of the obligation due to the fault of both parties

458.1. If the non-performance or improper performance of the obligation occurred due to the fault of both parties, the court shall reduce the size of the debtor's liability accordingly. The court shall also reduce the size of the debtor's liability if the creditor intentionally or negligently contributes to the increase in the amount of damage caused by non-performance or improper performance, or if he does not take reasonable measures to reduce the damage.

458.2. The rules of Article 458.1 of this Code shall be applied accordingly in cases where the creditor is responsible for non-performance or improper performance of the obligation regardless of the fault of the debtor according to this Code or the contract.

Article 459. Duty to restore the original situation

459.1. The person who is obliged to pay compensation for the damage must restore the original situation that would have existed if the event that made him liable to pay compensation had not occurred.

459.2. If, as a result of bodily injury or damage to health, the victim has lost his ability to work, his ability has decreased, or his demand has increased, the victim must be compensated for the damage by providing monthly living expenses.

459.3. The victim can claim the medical expenses in advance. The same rule applies with respect to expenses necessary to acquire a new profession.

459.4. If it is clear that there are important grounds, the victim may request compensation for the damage by providing living expenses.

459.5. If it is not possible to compensate for the damage by restoring the original condition and the restoration requires disproportionately large expenses, the creditor may be awarded monetary compensation.

459.6. It is not permissible to waive the right to demand compensation for damages caused by the breach of an obligation based on a prior agreement.

459.7. When determining the extent of the damage, the creditor's interests regarding the performance of the obligation should also be taken into account. To determine the amount of the damage, the place and time of execution of the contract should also be taken into account.

Chapter 24.

Ensuring the performance of obligations

§ 1. General provisions on ensuring the performance of obligations

Article 460. Methods of ensuring the performance of obligations

460.2. The invalidity of the agreement to ensure the performance of the obligation does not affect the invalidity of the main obligation.

460.3. If a separate rule is not defined by this Code, the invalidity of the main obligation leads to the invalidity of the obligation securing it.

Article 461. Substitution of performance guarantee

461.1. A person who has provided security for the performance of obligations may replace another security with the consent of the creditor. [\[420\]](#)

461.2. *Removed.* [\[421\]](#)

§ 2. Dabba money

Article 462. Definition of dabba money

462.1. Dabba money (fine, penalty) is the amount of money that the debtor has to pay the creditor in case the obligation is not performed or not performed properly, including the cost of performance, determined by *law or* contract. If the content of the obligation consists in abstaining from the action, the dabba money must be deducted from the moment of the action. The creditor is obliged to prove the damage caused to him on the demand for the payment of dabba money. [\[422\]](#)

462.2. If the debtor is not responsible for the non-performance or improper performance of the obligation, the creditor cannot demand payment of the debt.

462.3. The parties to the contract can freely determine the amount of the stipend, and it may be the possible damages.

462.4. If the promise to perform the obligation is considered invalid according to this Code, the agreement about the dabba money for non-performance of that obligation is also invalid, even if the invalidity of the promise is known to the parties.

462.5. If the debtor disputes the collection of money due to the performance of his obligation, he must prove the performance, provided that the obligation does not consist of refraining from acting.

Article 463. The form of the agreement on the dabba money

463.1. The agreement on dabba money must be concluded in writing, regardless of the form of the main obligation.

463.2. Failure to comply with the written form invalidates the agreement on dabba money.

Article 464. Payment of dabba money according to the law

464.1. The creditor may demand the payment of the sum determined by law, regardless of the amount of the stipend.

Article 465. Payment of a fine for failure to fulfill an obligation

465.1. If the debtor promises to pay a fine for non-performance of the obligation, the creditor may demand payment of money in lieu of performance of the contract. If the creditor announces the demand for performance of the obligation and the debtor does not perform, the creditor can demand the payment of a fine to the debtor, the demand for performance of the obligation is extinguished. If the creditor is entitled to compensation for damages caused by non-performance, he can demand the payment of a fine as a minimum amount of damages. This does not exclude the creditor's right to claim damages.

465.2. If the debtor has promised to pay a fine for improper performance of the obligation, including non-performance within a specified period, the creditor may demand payment of the performance of the obligation. If the creditor has a right to compensation for damages caused by improper performance, the creditor can demand its compensation. If the creditor has accepted the execution of the obligation, he can demand the collection of the fine only if he reserved this right when accepting the execution.

465.3. If the debtor promises to perform another action instead of paying a fine, the requirements of Articles 465.1 and 465.2 of this Code shall be applied.

Article 466. Damages and money

466.1. If the damage is determined for non-performance or improper performance of the obligation, the part of the damage before the dabba money is paid.

466.2. The law or contract may provide for the following cases:

466.2.1. not the loss, but only the dabba money can be allowed;

466.2.2. damages in excess of dabba money can be charged in full;

466.2.3. At the option of the creditor, either a deposit or damages may be charged.

466.3. In cases where limited liability is determined for non-fulfillment or improper fulfillment of the obligation, the damage that is not enough for the dabba money or in excess of the dabba money can be paid instead of it, can be charged up to the limit determined by that limitation.

Article 467. Reduction of dabba money by the court

The court may reduce the disproportionately high fine, taking into account the circumstances of the case. When determining the ratio, both property interests and all substantial interests of the creditor are taken into account. After paying the dabba money, it is excluded to reduce its amount.

§ 3. Storage

Article 468. Concept of storage and its basics

468.1. If the creditor owns the property to be given to the debtor or the person indicated by the debtor, if the debtor does not fulfill the obligation to pay the property or compensate the creditor for related expenses and other damages in time, the creditor has the right to keep the property.

468.2. Although it is not related to the compensation of the property or expenses and damages, the claims arising from the obligation of the parties acting as entrepreneurs can be satisfied by keeping the property.

468.3. The creditor may retain the property in his possession after the property has entered into the possession of the creditor, even if the rights to the property have been acquired by a third party.

468.4. The rules of this article are applied, unless a separate condition is provided in the contract.

Article 469. Payment of demands at the expense of stored property

Claims of the creditor holding the property are paid from the value of the property in the amount and manner provided for the payment of claims secured by collateral.

§ 4. Guarantee

Article 470. Contract of guarantee

470.1. Under the guaranty contract, the guarantor undertakes the responsibility for the partial fulfillment of the obligation of that person to the creditor of another person.

470.2. A suretyship contract can also be concluded to secure a liability that will arise in the future.

Article 471. Form of surety agreement

The guarantee contract must be concluded in writing. Failure to comply with the written form renders the surety agreement invalid.

Article 472. Liability of surety

472.1. If the debtor does not perform the guaranteed obligation or fails to perform it properly, the guarantor's subsidiary liability is not provided for in this Code or in the guarantee agreement, the guarantor and the debtor are jointly responsible to the creditor.

472.2. Unless otherwise specified in the guarantee agreement, the guarantor shall be liable to the creditor to the same extent as the debtor, including the payment of interest, court costs, collection and other damages caused to the creditor as a result of the debtor's non-performance or improper performance of the obligation.

472.3. Joint guarantors are jointly liable to the creditor, unless otherwise specified in the guarantee agreement.

472.4. *If the guarantor's subsidiary liability for the obligation secured by the guaranty contract is provided for, the guarantor's liability is suspended from the day of the debtor's death to the day of acceptance of inheritance.* [\[423\]](#)

Unless otherwise specified in the contract, the guarantor has the right to receive remuneration for the services rendered to the debtor.

Article 474. The guarantor's right to object to the creditor's demands

474.1. If a different rule does not follow from the contract of suretyship, the surety may raise objections that the debtor may raise against the creditor's request. The guarantor does not lose the right to raise such objections even if the debtor waives them or acknowledges his debt.

474.2. The guarantor is obliged to notify the debtor before paying the creditor's demand, and to file a lawsuit against the guarantor, to involve the debtor in the case.

474.3. If the guarantor fails to fulfill the duties specified in Article 474.2 of this Code, the debtor may raise objections against the creditor against the recourse demand of the guarantor.

Article 475. Rights of the guarantor who has fulfilled the obligation

475.1. The rights of the creditor on that obligation and the rights belonging to the creditor are transferred to the guarantor who has fulfilled the obligation to the extent that the guarantor satisfies the creditor's demand. The guarantor may also require the debtor to pay interest on the amount paid to the creditor and to compensate the debtor for other damages incurred in connection with the guarantor's liability.

475.2. After the guarantor fulfills the obligation, the creditor is obliged to submit the documents confirming the claim against the debtor to the guarantor and give the rights that satisfy that claim to the guarantor.

475.3. The rules specified in this article are applied unless a separate rule is provided for in the Code or in the guarantor's contract with the debtor, and unless a separate rule arises from the relationship between them.

Article 476. Informing the guarantor about the debtor's performance of the obligation

The debtor, who has fulfilled the obligation secured by the surety, must immediately inform the surety about it. [\[424\]](#)

Article 477. Termination of suretyship

477.0. The guarantee is terminated in the following cases:

477.0.1. when the obligation provided by the guarantor is terminated, as well as when the obligation is changed without the guarantor's consent and this change leads to an increase in his liability or other unfavorable consequences for him;

477.0.2. if the guarantor has not agreed to the creditor to be responsible for the new debt and the debt on the guaranteed obligation is transferred to another person;

477.0.3. when the creditor refuses to accept the necessary performance offered by the debtor or the guarantor;

main obligation is not specified and cannot be determined or if it can be determined by the demand, the guarantor is terminated if the creditor does not file a claim against the guarantor two years from the date of conclusion of the guaranty contract.

§ 5. Warranty

Article 478. Definition of guarantee

According to the guarantee, the guarantor (bank, other credit *organization* or institution) gives a written commitment to the principal's creditor (beneficiary) at the request of another person (principal) that he will pay the amount if the beneficiary submits a written demand for payment of the amount of money in accordance with the terms of the guarantee obligation. [\[425\]](#)

Article 479. Ensuring the obligation of the principal with a guarantee

479.1. The guarantee ensures that the principal fulfills his obligation (principal obligation) to the beneficiary.

479.2. For providing the guarantee, the principal pays the guarantor a conditional fee.

Article 480. Non-dependence of the guarantee from the main obligation

The obligation of the guarantor to the beneficiary is an independent obligation and does not depend on the main obligation for the guarantee of its performance, even if this obligation is mentioned in the guarantee.

Article 481. Irrevocability of the guarantee

Unless otherwise specified in the guarantee, it cannot be withdrawn by the guarantor.

Article 482. Non-assignment of warranty rights

If a separate rule is not provided in the guarantee, the right to make a claim against the guarantor belonging to the beneficiary under the guarantee cannot be transferred to another person.

Article 483. Entry into force of the guarantee

If a separate period is not specified in the guarantee, the guarantee takes effect from the date it is issued.

Article 484. Submitting a demand for a guarantee

and or attachment to it, the beneficiary must indicate what constitutes a breach of the obligation for the security of the principal.

484.2. The claim of the beneficiary must be submitted to the guarantor before the end of the period of issuance specified in the guarantee.

Article 485. Responsibilities of the guarantor when considering the claim of the beneficiary

485.1. Upon receiving the beneficiary's request, the guarantor must inform the principal without delay and submit a copy of the request to the principal along with all related documents.

485.2. The guarantor must consider the claim of the beneficiary together with the documents within the period specified in the guarantee, or within a reasonable period if the period is not specified, and pay close attention to determining whether the claim and the attached documents comply with the terms of the guarantee.

Article 486. Refusal of the guarantor to pay the claim of the beneficiary

486.1. If the beneficiary's claim or the documents attached to it do not comply with the terms of the guarantee, or if they are submitted to the guarantor after the expiration of the period specified in the guarantee, the guarantor refuses to pay this claim. The guarantor must immediately notify the beneficiary of the beneficiary's refusal to pay the claim.

486.2. If, before paying the beneficiary's demand, the guarantor becomes aware that the obligation secured by the guarantee has already been fulfilled in full or in the relevant part, terminated for other reasons or is invalid, he must immediately inform the beneficiary and the principal about this. After such information is provided, the guarantor must pay the repeated demand to the beneficiary.

Article 487. Limits of guarantor's liability

487.1. The guarantor's obligation to the beneficiary is limited to the payment of the guaranteed amount.

487.2. The guarantor's liability to the beneficiary for non-performance or improper performance of the obligation under the guarantee is not limited to the guaranteed amount, unless otherwise specified in the guarantee.

Article 488. Termination of guarantee

488.1. The guarantee obligation of the guarantor to the beneficiary is terminated in the following cases:

488.1.1. when the guaranteed amount is paid to the beneficiary;

488.1.2. when the period specified in the guarantee expires;

488.1.3. when the beneficiary waives his rights under the guarantee and returns it to the guarantor;

488.1.4. when the beneficiary waives his rights under the guarantee by filing a written application with the guarantor.

488.2. The termination of the guarantor's obligation on the grounds provided for in Article 488.1.2 and 488.1.4 of this Code does not depend on whether the guarantor is returned to him or

488.3. The guarantor, who finds out about the termination of the guarantee, must inform the principal about it without delay.

Article 489. Recourse claims of the guarantor against the principal

489.1. The right of the guarantor to demand the payment of the sums paid to the beneficiary from the guarantee from the principal in the manner of recourse is determined by the agreement between the guarantor and the principal for the performance of which the guarantee was given.

489.2. If the agreement of the guarantor with the principal does not provide for a different arrangement, the guarantor cannot demand compensation from the principal for the sums paid to the beneficiary complying with the terms of the guarantee or due to the violation of the guarantor's obligations to the beneficiary.

Article 490. Debtor's guarantee - *withdrawn*. [\[426\]](#)

§ 6. Well

Article 491. Definition of Behl

491.1. Behl is the amount of money given by one of the parties to the agreement in order to secure the conclusion of the contract and to ensure its execution, due to the payments to be made to the other party under the contract.

491.2. Regardless of the bet amount, the agreement on the bet must be concluded in writing. *Where the agreement on the bet is related to the conclusion of the contract on the disposal of real estate, it must be notarized. The rules stipulated in Article 225.6 of this Code shall be applied to the buyer of the mortgage. Where the agreement on the bet is related to the conclusion of the contract on the disposal of real estate.* [\[427\]](#)

491.3. If there is any doubt as to whether the amount paid due to the payments to be made to the other party under the contract, as well as if there is any doubt as a result of non-observance of the rule in Article 491.2 of this Code, that amount is considered to be paid as an advance, if the contract is subsequently proven.

Article 492. Consequences of the termination of the obligation secured by the behl and its performance

492.1. Before the execution of the obligation, it must be returned if it is terminated by agreement of the parties or as a result of impossibility of execution.

ract, he must pay double the indemnity to the other party. In addition, the party responsible for non-performance of the contract is obliged to compensate the other party for the damage, taking into account the amount of the contract, unless otherwise stipulated in the contract.

Chapter 25.

Plurality of creditors or debtors in an obligation

Article 493. Joint creditors and joint powers

493.1. If several persons are authorized to demand performance in such a way that each of them can demand full performance, and the debtor is entrusted only with a lump sum performance, they are joint creditors.

493.2. Joint powers are formed by contract, law or indivisibility of the subject of obligation.

Article 494. Execution of the obligation to any creditor

If one of the creditors has not objected to the debtor with the requirement provided for in article 493.1 of this Code, the debtor can execute the obligation to any creditor at his own request.

Article 495. Execution of the obligation to one of the creditors

Complete performance of the obligation to one of the joint creditors releases the debtor from obligations to other creditors.

Article 496. Consequences of refusal of one of the joint creditors

If one of the joint creditors refuses the claim against the debtor, the debtor is released from the part due to that creditor.

Article 497. Inadmissibility of using facts related to another creditor

The debtor cannot use the facts related to one of the creditors against the other creditor.

Article 498. Rights of joint creditor's heirs

If the joint creditor has several heirs, each of them shall receive only the part of the right to which he is corresponding to his inheritance share.

Article 499. Duties of joint creditor towards other joint creditors

499.1. The creditor who has received full performance from the debtor is obliged to remaining co-creditors their share.

499.2. If no separate rule has been established between joint creditors, they have equal s their mutual relations.

Article 500. Joint debtors and joint obligations

500.1. If the performance of the obligation is entrusted to several persons in such a way that them is obliged to participate in the full performance of the obligation, and the creditor has the demand only one-time performance, they are joint debtors.

500.2. A joint obligation arises based on a contract, law or indivisibility of the subject of obli

Article 501. Creditor's right to demand performance from any debtor

The creditor can request both full and partial performance from any debtor. The obligation remaining debtors remain valid until the obligation is fully executed.

Article 502. Reciprocal demand of the joint debtor against the creditor

The co-debtor has the right to put forward all mutual demands against the creditor arising nature of the contract or only to his/her right or common to all co-debtors.

Article 503. Consequences of full performance of the obligation by one of the debtors

Full performance of the obligation by one of the debtors exempts the remaining debtors from execution. The same rule applies to compensation performed by the debtor in front of the creditor.

Article 504. Inadmissibility of using facts related to another co-debtor

If a different rule does not follow from the essence of the obligation relationship, the facts related to one of the joint debtors can be used only for that person.

Article 505. Claim against one of the joint debtors

Filing a claim against one of the co-debtors does not deprive the creditor of the right to file a claim against the remaining debtors.

Article 506. Consequences of delaying the acceptance of execution

506.1. The consequences of the creditor delaying the acceptance of execution by one of the debtors shall also apply to the remaining co-debtors.

506.2. The consequences of failure of one of the co-debtors to comply with the perform

Article 507. Rights of heirs of joint debtors

If one of the co-debtors has several heirs, each of them is obliged to fulfill the demand in proportion to his share of the inheritance. If the claim is indivisible, this rule does not apply.

Article 508. Consolidation of the creditor's claim with the debt of one of the co-debtors

If the creditor's claim is combined with the debt of one of the co-debtors, the obligation of the remaining debtors is terminated in the amount corresponding to the share of that debtor.

Article 509. Right of recourse in case one of the debtors fulfills the obligation in full

509.1. The debtor who has fulfilled the joint obligation, unless otherwise specified in the provisions of this Code, has the right to demand recourse against the remaining debtors in proportion to their shares but minus his own share.

509.2. If it is not possible to determine the extent of the debtors' liability, they are equally liable to each other.

509.3. The claim of the creditor against other debtors, as well as the right of the creditor in recourse against other debtors, in accordance with the procedure provided for in Article 196 of this Code, shall be exercised against the co-debtor who performs a joint obligation to the creditor. [\[428\]](#)

Article 510. Consequences of insolvency of a joint debtor

If one of the debtors does not have the ability to pay, his share is distributed proportionally among all other debtors who are able to pay.

Article 511. Compensation of the joint debtor

If the co-debtor has benefited from the co-obligation, the co-debtor who has not benefited from such co-obligation may demand security from him for the performance of his obligation.

Article 512. Consequences of the expiration of the term

Suspension or termination of the period for one of the joint debtors has no effect on other debtors.

Chapter 26.

Assignment of obligations [\[429\]](#)

§ 1. *Concession of requirements - removed*

Article 522. Grounds and procedure for issuing obligations

522.1. According to the agreement with the creditor, the obligation can be transferred to a third party; as a result, it replaces the previous debtor.

522.2. If an agreement is reached with the debtor that the obligation will be transferred to a third party, this becomes valid only with the permission of the creditor.

522.3. Permission is granted only if the debtor or a third party notifies the creditor of the assignment of the obligation. Pending permission, the parties may modify or terminate the agreement. If permission is refused, the obligation is not deemed to have been given.

522.4. If the debtor or a third party requests the creditor to announce the permission within a specified period, the permission is announced until the expiry of that period; if this is not done, it is considered that permission has been refused.

522.5. Until the creditor gives permission, the obligor is obliged to satisfy the creditor in full in relation to the debtor in case of doubt. The same rule applies if the creditor refuses to grant permission.
[\[430\]](#)

Article 523. Assignment of obligations of the expropriator of the plot of land

523.1. If the person who acquires the plot of land undertakes the obligation regarding the redemption of the plot of land of the expropriator according to the contract with the expropriator, the creditor must give the permission to issue the obligation only if the expropriator sends him a notification about the acquisition.

523.2. If six months have passed since the receipt of the notice, the permission shall be deemed to have been granted unless the creditor has refused the expropriator within that period. The expropriator can send a notification only if the owner has registered the acquirer in the state register of immovable property.

523.3. The notification is made in writing and indicates that the obligor has replaced the previous debtor, provided that the creditor does not withdraw within six months. At the request of the expropriator, the creditor must notify the creditor of the transfer of obligations. Immediately after permission is granted or refused, the alienator shall notify the acquirer thereof.

Article 524. Objections of the person who accepted the obligation

The person who has accepted the obligation may raise objections against the creditor arising from the legal relationship between the creditor and the previous debtor. He cannot take into account the claim belonging to the previous debtor. The person who accepted the obligation cannot raise objections against the creditor arising from the legal relationship between the obligor and the previous debtor, which is the basis of the obligation.

Article 525. Cancellation as a result of granting the guarantee obligation, pledge and right of retention

the mortgage. If the guarantor or the person to whom the encumbrance belongs gives consent at the time of giving the obligation, these instructions do not apply. The right of preference in relation to the property for bankruptcy cannot be exercised over the property of the obligor during bankruptcy.

Article 526. Liability of the person who accepted the obligation

If a person accepts another person's property under a contract, the creditors of that person may assert their existing claims from the moment the contract was concluded against the person who accepted the property, despite the continuation of the previous debtor's liability. The responsibility of the recipient of the property is limited to the content of the purchased property and the requirements of the contract. The liability of the assignee cannot be excluded or limited by an agreement between the assignee and the previous debtor.

Chapter 27.

Termination of Obligations

Article 527. Grounds for termination of obligations

527.1. The obligation is fully or partially terminated as a result of execution, depositing compensation, debt forgiveness, expiration of the term, and other grounds provided for in this Code or the contract.

527.2. Termination of the obligation at the request of one of the parties is allowed only in the cases stipulated in this Code or the contract.

§ 1. Termination of obligations as a result of execution

Article 528. Termination of the obligation as a result of execution in favor of the creditor

The obligation is terminated as a result of its proper execution (execution) in favor of the creditor.

Article 529. Acceptance of performance of obligation

529.1. At the request of the debtor, the creditor must provide a document confirming the acceptance of the execution in whole or in part.

529.2. A creditor who accepts the proposed act as a performance of an obligation, unless he has a document to confirm it as a performance of an obligation, must prove that it is not an enforceable obligation, is different, or is incomplete or not a proper obligation.

529.3. If the debtor has given the creditor a debt document for confirmation of the obligation, the creditor must return that document when accepting the execution, and if it is not possible to return it, the creditor must provide a document confirming the execution.

ence of the debt document in the debtor's possession confirms the termination of the obligation unless otherwise proven.

529.4. A document drawn up on the acquisition of debt, without information on interest, certifies that both the interest has been paid and the monetary obligation is completely terminated.

529.5. When the debt is paid from time to time, the document on the payment of the last part of the debt gives grounds for assuming that the previous part has also been paid, unless a separate document is established.

529.6. If the creditor is unable to return the debt document, the debtor may request an official certified certificate of termination of the obligation.

529.7. In the document on execution drawn up by the creditor or the person authorized to do so, the amount and type of the debt, the name of the debtor or the person paying the debt, and the time and place of the execution must be indicated.

529.8. With the agreement of the parties, the obligation can be terminated by giving compensation (payment of money, giving property, etc.) instead of execution. The parties determine the amount of compensation, as well as the terms and procedure for its issuance.

Article 530. Reimbursement of the costs of issuing a document on execution

530.1. The costs of issuing the execution document are borne by the debtor, unless otherwise provided in the agreement upon between the debtor and the creditor.

530.2. If the creditor changes his place of residence or dies and his heirs remain in another residence, the increased costs related to the issuance of the enforcement document shall be borne by the creditor or his heirs.

Article 531. Termination of the obligation as a result of novation

531.1. The obligation is terminated by the agreement of the parties to replace the initial obligation between the parties with another obligation between the same persons, which provides for the same object or method of execution (novation).

531.2. No novation is allowed regarding obligations to pay compensation and alimony for maintenance caused to life or health.

531.3. Unless otherwise specified, the novation terminates additional obligations related to the original obligation.

§ 2. Termination of the obligation as a result of depositing

Article 532. Concept of termination of obligation as a result of deposit

532.1. If the creditor delays the acceptance of the execution or its location is unknown, the debtor may submit the object of execution to the court or notary for safekeeping, and deposit the money.

~~532.2. As a result of the deposit, the debtor is released from the obligation to the creditor.~~ ^[4]

532.3. If the return of the thing deposited is an exception, the debtor is released from his obligation because in this case the deposit is equivalent to the performance of the obligation to the creditor.

532.4. If the debtor must fulfill the obligation only after the creditor has fulfilled his obligation, the creditor can make the creditor's right to receive the deposited item dependent on the performance of the obligation.

Article 533. Delivery of deposited property to the creditor

533.1. The court or notary must hand over the deposited property to the creditor. The notary selects the guardian, and the documents remain with him.

533.2. The deposit must be made in the court or notary office where the obligation is executed. If the debtor makes the deposit in another place, the creditor must pay for the loss that may occur in connection.

533.3. If the deposited item was mailed to the court or notary public, the validity period of the deposit is extended to the date the item was mailed for shipment.

Article 534. Subject suitable for deposit

534.1. The item must be suitable for storage. Perishable items are not accepted for storage.

534.2. If the movable object that is the subject of the obligation is not suitable for deposit because of its perishable nature or its maintenance is associated with disproportionately high costs, the debtor must sell it at an auction at the place of performance of the obligation, and deposit the sale money.

Article 535. Place of storage

Storage must be done at the place of execution.

Article 536. Requiring the creditor to accept the subject

The court or notary informs the creditor that the subject has been accepted for storage and asks the creditor to accept the subject.

Article 537. Payment of costs related to storage

All storage costs are the responsibility of the lender.

Article 538. Debtor's demand for the object he has given for storage

538.1. The debtor may demand the return of the object he has given for storage until it is returned by the creditor, provided that he has not refused the return from the very beginning. If the

538.3. If the debtor takes back the item, the storage costs are borne by him.

Article 539. Period of storage of enforcement object

The court or notary keeps the enforcement subject for up to three years. If the creditor accepts the object during that period, the debtor is informed about it and asked to take back the object handed over. If the debtor does not receive the object within the period necessary for repossession, the object is considered state property.

§ 3. Termination of the obligation by substitution of mutual claims (substitution)

Article 540. Possibility of compensation of obligations

540.1. If the mutual demands existing between two people have expired, those demands are terminated by replacing them.

540.2. Substitution of claims is also possible if the term of one of the claims has not reached the party entitled to this demand is in favor of the substitution. Compensation of demands is carried out by informing the other party about it. The information is void if it is subject to any condition or time limit.

Article 541. Substitution in case of concession of demand

541.1. When the claim is discounted, the debtor can replace his counterclaim against the creditor with the claim of the new creditor.

541.2. Substitution may be made under the condition that the demand is based on the obligations that existed at the time the debtor received notice of its concession, and the term of the demand reaches the moment it is received, or that term is not specified or is determined by the moment of demand.

Article 542. Duration of the demand for compensation

If the time period for the demand has not passed by the time when the offset of the demand is possible, the duration of the demand does not exclude the offset of obligations.

Article 543. Substituted requirements

If the compensated requirements do not fully compensate each other, only the volume that is less than the volume of the other requirement is compensated.

Article 544. Substitution of obligations when the places of execution are different

Article 545. Inadmissibility of substitution of demands

545.0. Substitution of obligations is not allowed in the following cases:

545.0.1. if compensation of claims was previously excluded by agreement;

545.0.2. if the object of the obligation cannot be directed to the seizure or if the object of the obligation is a means of living;

545.0.3. if the obligation involves compensation for damage to health;

545.0.4. upon the application of the other party, when the claim period should be applied and the claim period has passed;

545.0.5. when it is related to the withholding of alimony;

545.0.6. if this is the request of the Republic of Azerbaijan or the municipality; except for the case where the obligation must be performed in favor of that body, if the other party's demand for compensation is to be paid from the funds of the body.

545.0.7. in other cases provided for in this Code.

§ 4. Termination of obligation by forgiveness of debt

Article 546. Concept of debt forgiveness

The obligation is terminated when the creditor releases the debtor from his duties (debt forgiveness), provided that such action does not violate the rights of other persons regarding the creditor's property.

Article 547. Consequences of debt forgiveness for other joint debtors

Forgiveness of the debt to one of the co-debtors also releases the other co-debtors, but where the creditor retains his claim against them is an exception. In this case, the creditor may file a claim against the remaining co-debtors, deducting the share of the discharged debtor.

Article 548. Consequences of debt forgiveness to the principal debtor

548.1. Forgiveness of the debt to the main debtor also releases the guarantors.

548.2. The release of the guarantor from paying the debt does not release the main debtor from performance of the obligation.

548.3. The release of one of the guarantors from paying the debt also releases the other debtors.

Article 549. Consequences of waiving requirements under a bilateral agreement

The refusal of one of the parties to a bilateral agreement does not lead to the termination of the obligation. That party must fulfill its obligations under the contract until the other party performs its obligations.

§ 5. Termination of the obligation due to the expiration of the term

Article 550. Term for demands

The right to demand that the student, that is, another person, perform or not perform an act is terminated due to the expiration of the period.

Article 551. Terms for termination of obligations

551.1. Unless otherwise specified by this Code, all requirements shall expire after the ordinary term). [KMQ23](#)

551.2. The following requirements expire after five years:

551.2.1. claims for rent, interest on capital and other periodic payments;

551.2.2. requirements for the sale of *food products* or accommodation for arrivals;

551.2.3. requirements for plant construction, sales of goods, transportation, requirements for labor relations (for example, doctors, lawyers or consultants), as well as requirements for labor relations employees;

551.2.4. A claim based on a court decision expires after thirty years. This rule applies even if the request is related to a shorter period.

Article 552. Commencement of the period for termination of obligations

552.1. The flow of the period begins when the demand execution period is reached. When calculating the period, the day of the beginning of the period is not taken into account. If the obligation is inaction, the period starts from the moment of non-performance of this obligation.

552.2. The period does not begin to run and the period is suspended in the following cases:

552.2.1. when the performance of the obligation is postponed or the obligee has temporarily refused its performance due to other circumstances;

552.2.2. during the last six months of the term, until the discretionary person is deprived of the opportunity to exercise judicial protection of his right as a result of the suspension of the judiciary. The same rule applies when such impossibility occurs as a result of force majeure.

552.2.3. if we are talking about the demands of the husband and wife, until the marriage is dissolved. The same rule is valid for the claims of parents and children until the children reach the age of majority, and for the claims of the guardian and the person under guardianship during guardianship relations.

552.2.4. if it is about a person with limited capacity or incapacity who does not have a representative, until six months have passed from the moment this person lost the capacity to act.

552.3. If the flow of the period is interrupted, the time elapsed until the moment of interruption is not taken into account; the new period begins only after the interruption ends.

553.1. The duration is interrupted in the following cases:

553.1.1. if the liable person executes the request by making partial payments, paying providing security or in another way;

553.1.2. if the authorized person sues.

553.2. The limitation period continues until a legally binding court decision is made on the

Article 554. Consequences of the expiration of the period for the termination of obligatio

554.1. After the expiration of the period, the liable person has the right to refuse the perform the obligation.

554.2. Even when the obligation is performed without knowing that the period has passed, possible to ask back the performed for the payment of the demand that has lost its validity du passage of the period.

554.3. Along with the main demand, the demand for the performance of additional ob depending on it also loses its validity due to the expiration of the term.

554.4. The expiration of the period cannot be excluded or complicated by the agreemen parties. The parties may agree on the simplification of the expiration of the period, inclu shortening.

§ 6. Other grounds for termination of the obligation

Article 555. Termination of the obligation when the debtor and the creditor are the same

The obligation is terminated when the debtor and the creditor are the same person.

Article 556. Termination of the obligation due to impossibility of execution

556.1. In case of impossibility of performance, i.e. if non-performance occurs when nor parties is responsible, the obligation is terminated. In this case, the creditor cannot dem performance of the obligation from the debtor.

556.2. If it is impossible for the debtor to fulfill the obligation as a result of the creditor's actions, the creditor cannot demand the return of what he has performed on the obligation.

Article 557. Termination of the obligation based on the act of the state or municipal autho

557.1. If the performance of the obligation is completely or partially impossible as a result c adopted by the state or municipal body, the obligation is terminated in whole or in the releva period of performance of the obligation is extended. In this case, the state or municipality regressor in claims related to the damage caused, and as a result, the injured parties may compensation for the damage in accordance with Articles 19 and 22 of this Code. [\[433\]](#)

ement of the parties or the nature of the obligation and the creditor's interest in the performance of the obligation has not been lost, the obligation is reinstated.

Article 558. Termination of the obligation due to the death of the debtor

558.1. If execution is not possible without the personal participation of the debtor, his death causes the termination of the obligation.

558.2. If the performance is intended for the creditor personally, his death causes the termination of the obligation.

Article 559. Termination of obligation as a result of liquidation of a legal entity

The obligations of a legal entity (debtor or creditor) are terminated from the moment of registration of its liquidation.

Chapter 28.

Exercise of civil rights

Article 560. Prohibition of abuse of rights

560.1. Civil rights must be exercised according to law. It is unacceptable to use the right only for the purpose of harming others.

560.2. Abuse of the right is not permitted, and agreements and actions made on this basis are invalid.

560.3. Abuse of the right is, in particular, the following:

560.3.1. enforcement of rights obtained illegally or contrary to contract;

560.3.2. exercising the rights of a person despite the gross violation of his duties;

560.3.3. exercise of a right that does not form the basis of personal interest to be protected;

560.3.4. the exercise of a right contrary to the previous treatment in which the other party reasonably relied;

560.3.5. abuse of a favorable position by one or more commercial legal entities in the market of the production sector, if this can result in significant disruption of market conditions for the circulation or production services, for example:

560.3.5.1. direct or indirect coercion to disproportionate purchase prices or other terms of contract;

560.3.5.2. restriction of production, sale or technical development to the detriment of consumers;

560.3.5.3. Applying different conditions to contractual partners that affect their interests in competition for services of equal value;

560.3.5.4. the connection of the conclusion of the contract with a certain condition, according to which the contractual partners have to perform additional services that are not related to the performance of the contract.

560.3.6. agreements of commercial legal entities, methods of action agreed upon among them if they can result in a significant disruption of market conditions for goods circulation or services and have the purpose of preventing, limiting or distorting competition, or contributing including:

- 560.3.6.1. direct or indirect determination of prices or other terms of transactions;
- 560.3.6.2. limitation of production control, sales, technical development or investments;
- 560.3.6.3. segmentation of markets or sources of supply;
- 560.3.6.4. practice specified in Articles 560.3.5.3 and 560.3.5.4 of this Code.

Article 561. Monopoly of state power

Ensuring the implementation of civil rights, applying force or coercion is the monopoly of the state. For this purpose, the state applies methods regulated by civil-procedural law and executive legislation.

Article 562. Right of delay

562.1. If, according to this Code or the contract, the debtor has a right against the creditor to demand due for payment, the debtor may refuse to fulfill his obligation until the obligation is performed (right of delay).

562.2. If the condition of the other party deteriorates significantly after the conclusion of the agreement, and as a result the right to perform the mutual obligation is in danger, the person who first performed the obligation according to the mutual agreement may refuse to perform the obligation until the other party fulfills the obligation or provides security for his obligation.

562.3. If the object of delay was acquired illegally, the right to delay is excluded.

562.4. If the mutually enforceable obligations are not the subject of a mutual agreement, the creditor can prevent the exercise of the right of delay by issuing guarantees.

562.5. The right of delay at the creditor's claim can be exercised only if the debtor can be released from the task of performing the obligation only when the creditor performs his own obligation (simultaneous performance). On the basis of such assignment of duty, the creditor may demand compulsory performance without performing his obligation if the debtor delays the acceptance of execution.

Article 563. Necessary protection

563.1. In the case of necessary defense, the action is legal, that is, it is not against the law, and compensation for the damage should not be paid.

563.2. Necessary defense is self-defense in the sense that it is necessary to repel an actual or imminent attack against oneself or others.

563.3. If any person has culpably exceeded the threshold of necessary protection or intentionally created a condition of necessary protection, or has culpably been mistaken about the existing initial conditions necessary to prevent an unlawful act, he must pay compensation for the damage caused.

564.1. An action taken in a state of last necessity during defense is legal, that is, it is not contrary to the law, and the damage caused in this case should not be compensated, provided that the damage caused to the person or thing that created the danger that caused the state of last necessity to occur

564.2. Extreme necessity is a situation in which less harm is done to prevent a real danger that cannot be prevented by other means than the danger averted.

564.3. As a last resort, taking into account the actual circumstances in which the damage was caused, compensation may be imposed on the third party for whose benefit the person who caused the damage acted.

564.4. If the damage caused in the last resort is greater than the damage prevented, the person who caused the damage must pay for it.

Article 565. Self-help

565.1. If the help of the competent state authorities does not arrive in time and there is a danger that the realization of the right will be impossible or significantly more difficult without urgent intervention, the person who buys, destroys or damages the thing for the purpose of self-help, or catches the person who may be hiding, or the liable person about the actions that he must perform the actions preventing the resistance of the person are not considered against the law.

565.2. Self-help cannot go beyond what is necessary to prevent or overcome the danger.

565.3. When an item is taken from someone's hand, a statement must be made immediately

565.4. When the liable person is caught, he must be immediately handed over to the relevant authorities.

565.5. If self-help measures are not declared to the competent state body for approval immediately after implementation, or if the same body rejects such a statement as inadmissible or unfounded, self-help measures are considered illegal from the very beginning. When the self-help measures are implemented with a wrong judgment about the existence of the initial conditions necessary to the illegal situation, the person who committed the action must compensate the other party for the damage, even if the mistake was not caused by negligence.

Article 566. Providing information on the performance of the obligation

566.1. The creditor has the right to receive information from the debtor about the progress of the performance of the obligation.

566.2. The following must provide information on the execution of the obligation:

566.2.1. the person entrusted with this duty under this Code or contract;

566.2.2. the person who fully or partially performs the debtor's affairs;

566.2.3. a person who must report on the management of income and expenses.

566.3. If the person required to provide the information can provide the information only at an expense, the expense is borne by the creditor.

566.4. If there is a reason to believe that the given information was not prepared in good faith, at the request of the creditor, the debtor or the authorized person must assure in writing that the information

Seventh section

OBLIGATIONS ARISING FROM CONTRACTS

Chapter 29.

Buying and selling

§ 1. General provisions on purchase and sale

Article 567. Purchase and sale contract

According to the purchase agreement, the seller undertakes to transfer the item to the buyer and the buyer undertakes to accept the item and pay the specified amount of money (price) in return.

Article 568. Duty of the seller to deliver the item

568.1. The seller is obliged to give the item specified in the purchase contract to the buyer.

568.2. If the purchase agreement does not provide for a different rule, the seller is obliged to deliver the item to the buyer at the same time as its accessories, as well as the documents relating to the item, stipulated in the legislation or the contract (technical passport, quality certificate, or instructions, etc.).

Article 569. Duration of the duty to deliver the item

569.1. The term of performance of the seller's duty to give the item to the buyer is determined by the purchase agreement, and if the contract does not allow to determine that period, it is determined according to the rules stipulated in Article 427 of this Code.

569.2. If the loss of the buyer's interest in the purchase and sale contract in case of violation of the execution period is clearly derived from the contract, such contract is considered to be concluded from the moment of execution until the specified period. The seller can execute the contract only with the consent of the buyer before or after the period specified in the contract.

Article 570. The point of performance of the seller's duty to deliver the item

570.1. Unless otherwise specified in the purchase agreement, the seller's duty to deliver the item to the buyer is deemed fulfilled at the following moment:

570.1.1. if the contract stipulates the duty of the seller to deliver the item, at the moment when the item is handed over to the buyer or the person designated by him;

570.1.2. if the item is to be delivered to the buyer or to a person indicated by him at the place

fact and the buyer is aware of it in accordance with the terms of the contract. If the item is identified by marking or otherwise for the purposes of the contract, it is not considered a delivery.

570.2. In cases where the duty of the seller to deliver the item or to hand it over to the buyer at the place of purchase does not arise from the purchase agreement, the duty of the seller to hand the item to the buyer is considered fulfilled at the moment when the item is handed over to the communication organization for delivery to the buyer, unless otherwise stipulated in the contract.

Article 571. Transfer of the risk of accidental destruction and accidental damage of the item to the buyer

571.1. Unless otherwise stipulated in the purchase agreement, the risk of accidental destruction and accidental damage of the item shall pass to the buyer from the moment when the seller is deemed to have performed the duty of delivering the item to the buyer in accordance with the contract.

571.2. The risk of accidental destruction or accidental damage to the sold item while on the way is transferred to the buyer from the moment the purchase agreement is concluded, unless otherwise stipulated in the purchase agreement or business practices.

571.3. A contractual condition that the risk of accidental destruction or accidental damage of the thing passes to the buyer from the moment the goods are handed over to the first carrier is invalidated by the court at the request of the buyer if, at the time of the conclusion of the contract, the seller knew or should have known that the thing was lost or damaged, but did not inform the buyer.

Article 572. The duty of the seller to provide goods free from the rights of third parties

572.1. Unless the buyer agrees to accept the item encumbered with the rights of third parties, the seller is obliged to provide the buyer with the item free from the rights of third parties. The failure of the seller to perform this duty gives the buyer the right to demand a reduction in the price of the item or cancellation of the purchase agreement, provided that it is not proven that the buyer knows that third parties have rights to the item. [\[435\]](#)

572.2. The rules provided for in Article 572.1 of this Code shall be applied accordingly, even if third parties have claims to the item at the time of delivery of the item and the seller is aware of this, if later those claims are deemed to be in accordance with the law in a specified manner.

Article 573. Responsibilities of the seller in case of repossession of the item from the buyer

573.1. When third parties take back the item from the buyer on the basis of the purchase agreement, the seller is obliged to compensate the buyer for the damage, if he does not prove that the buyer knows about the existence of those grounds. [\[436\]](#)

573.2. In case the goods acquired by the buyer are demanded from him by third parties, the agreement of the parties on the release of the seller from responsibility or the limitation of responsibility is irrelevant.

Article 574. Responsibilities of the buyer and the seller when a claim is made for the return of the item

574.1. If a third party makes a claim against the buyer for the return of the item on the ground that it arose before the execution of the purchase and sale contract, the buyer is obliged to involve the seller in the case, and the seller is obliged to participate in this case on the part of the buyer.

574.2. The failure of the buyer to involve the seller in the case relieves the seller from liability towards the buyer, provided that the seller proves that by participating in the case he could prevent the buyer from retrieving the sold item.

574.3. The seller, whom the buyer involved in the business, but did not participate in the case, is deprived of the right to prove that the buyer conducted the business wrongly.

Article 575. Consequences of failure to perform the duty to deliver the item

575.1. If the seller refuses to hand over the sold item to the buyer, the buyer can refuse to perform the purchase contract.

575.2. If the seller refuses to give the individually-identified item, the buyer can bring forth the demands provided for in Article 452 of this Code against the seller.

Article 576. Consequences of not fulfilling the duty to provide equipment and documents related to the item

If the seller does not provide or refuses to provide the equipment or documents related to the item to be delivered to the buyer, the buyer can set a reasonable time for them to be provided. If the seller does not provide the equipment or documents related to the item within the specified time, the buyer may refuse the item, unless otherwise stipulated in the contract.

Article 577. Amount of sold items

577.1. The amount of items to be given to the buyer is expressed in the purchase agreement in appropriate measurement units or in money. The condition on the quantity of items can be agreed by specifying the order of its determination in the contract.

577.2. If the purchase and sale contract does not allow determining the quantity of items delivered, the contract is not considered concluded.

Article 578. Consequences of violation of the condition on the quantity of items

578.1. If the seller violates the purchase and sale contract and gives the buyer a smaller amount of goods than specified in the contract, the buyer, unless otherwise stipulated in the contract, can demand the delivery of the missing goods or refuse to pay for the given goods, and if the goods have been delivered, can demand the return of the amount paid.

578.2. If the seller gives the buyer more goods than the amount stipulated in the contract,

seller does not dispose of the relevant part of the goods within a reasonable time after receiving the buyer's notification, the buyer may accept all the goods, unless otherwise stipulated in the contract.

578.3. If the buyer accepts more than the amount specified in the purchase and sale contract, the additional accepted items are paid at the price determined for the accepted goods according to the contract, unless a separate price is determined by the agreement of the parties.

Article 579. Assortment of items

579.1. If, according to the purchase agreement, a certain proportion (assortment) of items is given according to types, models, sizes, colors or other signs, the seller is obliged to give the buyer the items in the range agreed upon by the parties.

579.2. If the assortment and the procedure for its determination are not specified in the contract, but the essence of the obligation suggests that the items should be given to the buyer in assortment, the seller may give the items to the buyer in assortment based on the buyer's requirements known to him at the time of the conclusion of the contract or refuse to perform the contract.

Article 580. Consequences of violation of the condition on the assortment of goods

580.1. If the seller provides the items specified in the purchase and sale contract in a variety that does not match the contract, the buyer can refuse to accept and pay for them, and if he has paid for them, he may demand the return of the amount he paid.

580.2. If the seller provides goods to the buyer in violation of the condition about the assortment, along with the goods in accordance with the purchase agreement, the buyer has the right to choose the following option:

580.2.1. to accept the items that meet the condition about the assortment, and to return the remaining items;

580.2.2. give up all the given items;

580.2.3. demand the replacement of items that do not comply with the condition on the assortment with items of the assortment provided for in the contract;

580.2.4. accept all the given items.

580.3. The buyer may refuse to pay for those goods when rejecting items of a variety that do not conform to the terms of the purchase agreement or demanding the replacement of goods that do not conform to the terms of the purchase agreement, and if he has paid for them, he may demand the return of the amount of money he paid.

580.4. Items that do not comply with the terms of the sales contract regarding the assortment are considered accepted if the buyer does not notify the seller of his refusal within a reasonable time after accepting them.

580.5. If the buyer does not reject the items that do not match the purchase agreement, he must pay for them at the price agreed with the seller. If the seller does not take the necessary steps to agree on a price within a reasonable time, the buyer pays for the goods at the price usually received for similar goods under comparable conditions at the time of conclusion of the contract.

580.6. The rules of this article are applied unless a separate rule is provided in the contract.

Article 581. Quality of goods

581.1. The seller is obliged to provide the buyer with an item whose quality corresponds to the purchase agreement.

581.2. If there are no conditions on the quality of the goods in the purchase contract, the seller is obliged to provide the buyer with goods suitable for the purposes for which such goods are intended to be used. If at the time of concluding the contract, the buyer informed the seller about the specific purpose of acquiring the item, the seller is obliged to provide the buyer with an item that can be used for that purpose.

581.3. When selling an item based on a sample and (or) description, the seller is obliged to provide the buyer with an item that corresponds to the sample and (or) description.

581.4. If there are mandatory requirements regarding the quality of the sold item, the seller in entrepreneurial activity is obliged to provide the buyer with an item that meets those mandatory requirements. According to the agreement between the parties, the seller can provide an item that meets higher requirements than the mandatory requirements for quality.

Article 582. Guarantee for the quality of goods

582.1. The item to be given by the seller to the buyer must comply with the requirements stipulated in Article 581 of this Code at the time it is given to the buyer, provided that the purchase agreement does not include a separate point for determining the item's compliance with those requirements. The item must be useful for a reasonable period of time for the purposes for which such items are intended to be used.

582.2. If the purchase agreement provides for the seller to provide a guarantee for the quality of the item, the seller must provide the buyer with an item that must meet the requirements stipulated in Article 581 of this Code within the time specified by the contract (warranty period).

582.3. The guarantee for the quality of the item also applies to its constituent parts (components), unless otherwise stipulated in the purchase and sale agreement.

Article 583. Calculation of the warranty period

583.1. The warranty period starts from the moment the item is handed over to the buyer, unless a separate period is provided in the purchase agreement.

583.2. If the buyer is deprived of the opportunity to use the item for which the warranty period is determined by the contract due to reasons dependent on the seller, the warranty period begins when the seller eliminates the relevant reasons. If the contract does not provide for a separate rule, the warranty period is extended until the time it is impossible to use it due to the defects found in the item, provided that the seller is notified of the item's defects in the manner specified in Article 595-1 of this Code.

583.3. Unless otherwise specified in the purchase agreement, the warranty period for a component product is equal to the warranty period for the main product and begins at the same time as the warranty period for the main product.

583.4. The same warranty period as for the replaced item (integrated product) is determined for the replaced item.

Article 584. Shelf life of the item

584.1. Legislation, mandatory requirements of state standards or other mandatory requirements determine the period (expiry period) that limits the suitability of the item for its intended use.

584.2. The seller must give the item with a specified shelf life to the buyer in such a way that the item can be used for its intended purpose until the shelf life expires.

Article 585. Calculation of the useful life of the item

The shelf life of an item is determined by the period of time that indicates its suitability calculated from the date of its manufacture, or the date on which the item's suitability for use ends.

Article 586. Checking the quality of the item

586.1. Legislation, mandatory requirements of state standards or a purchase agreement provide for checking the quality of the item.

586.2. If in accordance with Article 586.1 of this Code, the procedure for checking the quality of the item is not determined, the quality of the item is checked in accordance with the customs of circulation or other conditions of inspection of the item to be given under the purchase and sale which are usually applied.

586.3. If the legislation, the mandatory requirements of state standards or the purchase agreement stipulate the duty of the seller to check the quality of the item given to the buyer (testing, examination, etc.), the seller must provide the buyer with evidence that the quality of the item has been checked.

586.4. The procedure for checking the quality of the item by both the seller and the buyer, and other conditions, should be the same.

Article 587. Consequences of giving an item of insufficient quality

587.1. If the seller did not provide prior information about the defects of the goods, the buyer who received the goods of substandard quality has the right to demand from the seller, at his option, the following, regardless of whether the seller is at fault: [\[437\]](#)

587.1.1. proportional reduction of the purchase price;

587.1.2. elimination of defects of the item free of charge within a reasonable time;

587.1.3. Reimbursement of the expenses incurred by him to eliminate the defects of the item.

587.2. In the event of a significant violation of the requirements for the quality of the goods (in the case of defects that cannot be eliminated, defects that cannot be eliminated without disproportionate costs or time, or defects that have been repeatedly discovered or re-emerged after elimination, and other such defects), the buyer has the right to, at his option:

587.2.1. refuse to execute the purchase agreement and demand the return of the amount paid;

587.3. The buyer may request the removal of defects or the replacement of the item specified in Articles 587.1 and 587.2 of this Code, if there is no other rule arising from the nature of the item or the essence of the obligation.

587.4. If the product parts included in the set are not of the required quality, the buyer can exercise the rights provided for in Articles 587.1 and 587.2 of this Code regarding that part of the product.

587.5. If the buyer requests the cancellation of the purchase agreement due to the defects of the item or the replacement of the purchased item with an item in accordance with the contract, he is obliged to return the defective item to the seller at his expense. At this time, the return of what the buyer has obtained under the contract is carried out in accordance with Article 157 of this Code. [\[438\]](#)

Article 588. Defects for which the seller is responsible

588.1. If the buyer proves that the item's defects were caused by reasons that arose before the delivery to the buyer, the seller is responsible for the item's defects.

588.2. The seller is responsible for the defects of the goods for which he has given a guarantee if he does not prove that the defects of the goods were caused by the violation of the use or storage by the buyer after the delivery of the goods to the buyer, or as a result of the actions of third parties or due to force majeure.

Article 589. Time limits for detecting defects of the given item

589.1. If the purchase contract does not specify a different rule, the buyer can make claims regarding the defects of the item, provided that these defects are discovered within the period specified in this article.

589.2. If no warranty or shelf life is specified for the item, the buyer may make claims regarding the item's defects within two years from the date of delivery of the item to the buyer or a longer period provided by the purchase agreement. The period for discovering the defects of the item transported or sent by mail is calculated from the day of delivery of the item to the destination. [\[439\]](#)

589.3. If the warranty period is defined for the item, the buyer can make claims regarding the defects of the item if he discovers those defects during the warranty period.

589.4. If a shorter warranty period is defined for the complementary product in the purchase agreement than for the main product, the buyer can make claims related to the defects of the complementary product if those defects are revealed during the warranty period of the main product.

589.5. If the contract specifies a longer warranty period for the complementary product than for the main product, the buyer can make claims regarding the defects of the product, regardless of whether the warranty period of the main product has expired or not, if the defects of the complementary product are discovered during its warranty period.

589.6. Claims related to the defects of the item with a specified shelf life can be made by the buyer if he discovers those defects during the shelf life of the item.

589.7. If the warranty period stipulated in the contract is less than two years and the buyer discovers the defects of the item after the end of the warranty period, but within two years from the date the item was handed over to him, the seller is liable under the condition that the buyer proves

Article 590. Completeness of the item

590.1. The seller is obliged to provide the buyer with an item that complies with the terms of the purchase agreement.

590.2. If the completeness of the item is not defined in the purchase and sale contract, the seller is obliged to provide the buyer with the item whose completeness is determined by the custom of business circulation or by other requirements that are usually put forward.

Article 591. Set of goods

591.1. If the purchase agreement stipulates the obligation of the seller to provide the buyer with a certain set of items in the form of a set, the obligation is considered fulfilled from the moment of the delivery of all the items included in the set.

591.2. If no other rule is provided in the purchase agreement and no other rule follows from the essence of the obligation, the seller is obliged to give all the items included in the set to the buyer at the same time.

Article 592. Consequences of giving an item without a set

592.1. If the item is delivered without a set, the buyer can request the following from the seller:

592.1.1. proportional reduction of the purchase price;

592.1.2. completion of the assembly of the item in a reasonable time.

592.2. If the seller does not fulfill the buyer's request for completeness of the item in a reasonable time, the buyer has the right to:

592.2.1. to demand the replacement of a non-complete item with a complete item;

592.2.2. to refuse the execution of the purchase and sale agreement and to demand the return of the amount of money he paid.

592.3. The consequences provided for in Articles 592.1 and 592.2 of this Code shall be applied if the seller violates the obligation to provide the buyer with a set of goods, if no other rule is provided in the purchase agreement and no other rule follows from the essence of the obligation.

Article 593. Tare and container of items that are the subject of the purchase and sale contract

593.1. If no other rule is provided in the purchase and sale contract and no other rule follows from the essence of the obligation, the seller must give the item to the buyer in a bag and (or) container. The item that does not require bagging and (or) packaging due to its nature is an exception.

593.2. If the purchase agreement does not specify the requirements for packing and packaging, the item must be packed and (or) packaged in the usual way for such goods, and in the absence of such method, in a way that ensures the safety of such items under normal conditions.

593.3. If mandatory requirements regarding weight and (or) container are stipulated by the purchase agreement, the seller engaged in entrepreneurial activity must deliver the item to the buyer in a weight

Article 594. Consequences of giving the item without weighing and (or) container or giving inappropriate weighing and (or) container

594.1. If the item to be weighed and (or) packed is delivered to the buyer without a weight container or in an inappropriate weight and (or) container, the buyer has the right to, if no other provision follows from the contract, the nature of the obligation or the nature of the item, require screening (or) packaging or replacement of unsuitable screening and (or) container.

594.2. In the cases provided for in Article 594.1 of this Code, the buyer may file claims against the seller arising from the delivery of an item of insufficient quality instead of the claims specified in the specific clause.

Article 595. Notifying the seller about improper execution of the purchase and sale contract

595.1. The buyer shall notify the seller of the violation of the conditions of the purchase agreement regarding the quantity, variety, quality, completeness, tare and (or) container within the period stipulated in the contract, and if such a period is not specified, within a reasonable period from the violation of the relevant condition of the contract should be discovered due to the nature and purpose of the item. notice must be given.

595.2. In the event of non-fulfillment of the rule provided for in Article 595.1 of this Code, the buyer shall be entitled to provide the buyer with the missing quantity of goods, to replace the goods that do not meet the quality or variety conditions of the purchase agreement, to eliminate the defective goods, to complete the set, or to replace the non-set item with a set item. The buyer can completely or partially refuse to pay the requirements for making, weighing and (or) packaging of the item, or refuse to pay for inappropriate weighing and (or) packaging, if the buyer's failure to comply with this rule leads to the impossibility of meeting his demand or prove that it caused him to incur costs disproportionate to the costs he would have incurred had he received timely notice of the breach of contract.

595.3. If the seller knew or should have known that the items given to the buyer did not comply with the terms of the purchase agreement, he cannot refer to the provisions of Articles 595.1 and 595.2 of this Code.

Article 596. Duty of the buyer to accept the item

596.1. The buyer is obliged to accept the item given to him, except for the cases where he has the right to demand the exchange of the item or to refuse the execution of the purchase and sale contract.

596.2. Unless otherwise specified in the purchase agreement, the buyer is usually obliged to perform the actions necessary to ensure the delivery and receipt of the relevant item according to the requirements.

596.3. If the buyer violates the purchase contract and does not accept the item or refuses to perform the contract, the seller can demand the buyer to accept the item or refuse to perform the contract.

Article 597. Price of the sold item

is determined in accordance with Article 398.3 of this Code, as well as actions necessary for the seller in accordance with the contract or the requirements usually put forward. is obliged to perform at his own expense.

597.2. If the price is determined depending on the weight of the item, it is determined based on the net weight, unless otherwise specified in the sales contract.

597.3. If the purchase and sale contract stipulates that the price of the item should be determined depending on the indicators determining the price (cost, costs, etc.), but the method of price is not determined, the price is determined based on the ratio of those indicators for the moment the contract is concluded and the moment the item is delivered. If the seller delays the performance of his duty to deliver the item, the price is determined based on the ratio of those indicators for the moment of conclusion of the contract and the moment of delivery of the thing provided for in the contract. If that moment is not provided for in the contract, for the moment determined in accordance with Article 427 of this Code.

Article 598. Payment of the purchased item

598.1. If a different rule is not provided in the contract of sale and a different rule does not follow from the nature of the obligation, the buyer must pay before or after receiving the item directly from the seller.

598.2. If the purchase agreement does not provide for the payment of the item in installments, the buyer is obliged to pay the seller the full price of the given item.

598.3. If the buyer does not pay the given item in time according to the purchase and sale agreement, the seller may demand to pay the item and pay interest in accordance with Article 449 of this Code.

598.4. If the buyer refuses to accept and pay for the item in breach of the contract of sale, the seller may, at his option, demand payment of the item or refuse to perform the contract.

598.5. In cases where the seller is obliged to give the buyer not only the things he paid for, but also other things according to the purchase agreement, the seller has the right to stop the delivery of the things until all the previously given things are paid in full, unless otherwise stipulated in the contract.

Article 599. Advance payment of purchased items

599.1. In cases where the purchase agreement stipulates the buyer's duty to pay in full or in part (advance payment) before buying the item from the seller, the buyer shall make the payment within the period specified in the contract, and if such a period is not specified in the contract, within the period specified in accordance with Article 427 of this Code.

599.2. If the buyer does not fulfill the duty to pay the item in advance, the rules stipulated in Article 441 of this Code shall be applied.

599.3. If the seller who received the advance payment does not perform the duty to deliver the item within the specified period, the buyer may demand the delivery of the item he paid for or the return of the amount he paid in advance for the item.

599.4. If the seller does not fulfill the duty to deliver the item paid in advance, and unless a different rule is provided in the purchase and sale agreement, from the day the item should have been delivered, the seller is obliged to pay interest in accordance with Article 449 of this Code.

of this Code. The contract may provide for the duty of the seller to pay interest on the amount from the date of receipt of the advance payment from the buyer.

Article 600. Payment of the item sold to Nisya

600.1. If the purchase and sale agreement provides for the payment of the goods after a certain period of time (sale of goods on credit) is provided for, the buyer must make the payment within the period provided for in the contract, and if such a period is not provided for in the contract, within the period determined in accordance with Article 427 of this Code.

600.2. The sale of goods is carried out according to the prices valid on the day of sale. A subsequent change in the price of the items sold to Nisha does not lead to recalculation, unless otherwise stipulated in the contract.

600.3. If the seller fails to deliver the item, the rules stipulated in Article 441 of this Code shall be applied.

600.4. If the buyer, who has received the item, does not fulfill his duty to pay it within the period stipulated in the purchase and sale contract, the seller may demand payment of the given item or the value of the unpaid item.

600.5. If the buyer does not fulfill his duty to pay for the given item within the period stipulated in the contract, and unless otherwise stipulated in this Code or the purchase agreement, interest shall be paid from the delayed amount from the day the goods should be paid according to the contract. The contract may provide for the obligation of the buyer to pay interest on the amount corresponding to the price of the item, starting from the day the item was handed over by the seller.

600.6. *Removed.* [\[440\]](#)

Article 601. Payment of the item in installments

601.1. The contract for the sale of the item may provide for its partial payment. An agreement for the sale of an item under the condition of payment in installments is considered to be concluded. The price of the item, order of payments, terms and amounts are stipulated along with other conditions of the purchase and sale agreement.

601.2. The rules provided for in Articles 600.2-600.5 of this Code shall be applied to the contract for the sale of goods in installments. [\[441\]](#)

Article 602. Insuring the object that is the subject of the contract of sale

602.1. The purchase contract may stipulate the duty of the seller or the buyer to insure the item.

602.2. If the party obliged to insure the item does not carry out the insurance in accordance with the terms of the contract, the other party may insure the item and require the debtor to pay for the insurance costs, or may refuse to perform the contract.

Article 604. Similar contracts

Contracts for the shipment of goods to be prepared or manufactured, if the customer sends a significant part of the materials necessary for the preparation or production of those goods, as well as if the bulk of the duties of the party sending the goods do not consist of the performance of works or the provision of other services, purchase and sale is equal to the contracts.

Article 605. Cases in which the provisions on purchase and sale are not applied

Provisions on the purchase and sale of goods are not applicable to the acquisition of goods in the framework of auction sale, on the basis of proceedings or other judicial measures, as well as the acquisition of securities or means of payment and electricity.

Article 606. Reservation of ownership rights

606.1. If the seller of the movable object has retained the ownership right to the object until the purchase price is paid by the buyer (reservation of ownership right), in case of doubt, it is assumed that the transfer of ownership is carried out with a suspensive condition until the purchase price is full, and if the buyer delays the payment of the purchase price, the seller can terminate the contract and the right to cancel *and (or) order seizure of that movable object*. [\[443\]](#)

606.2. The rights of the seller to the sold item arising from Article 606.1 of this Code are not respected by the persons represented by the buyer, as well as by the buyer's creditors. In this case, "representative" means an administrator or any other person appointed to manage the buyer's affairs for the benefit of his creditors in the event of his insolvency.

606.3. Article 606.2 of this Code does not limit the superior or equal rights of creditors. The seller may exercise a right of retention or use of cars, ships or aircraft in connection with the seizure.

606.4. If the purchase and sale contract stipulates that the ownership of the item given to the buyer remains with the seller until the goods are paid, the buyer may not expropriate the item or make any other disposition of the item until the ownership is transferred to him, unless a different rule is provided in the contract or a different rule does not follow from the purpose and properties of the item. [\[444\]](#)

Article 607. Prohibition of purchase

607.1. If the sale is carried out as part of the proceedings, the person authorized to carry out the sale or lead it and the assistants involved by him, including the secretary who drew up the protocol, personally or through another person sell the object for himself, nor for other persons he represents, are not allowed to buy. The same rule applies when the sale is carried out outside the framework of the insolvency procedure. In this case, the sales order is issued on the basis of a legal instruction authorized by the guarantor to sell the object at the expense of a third party. The same rule applies to the sale by the administrator in the event of insolvency.

§ 2. Buying and selling of animals, birds and fish

Article 608. Application of provisions on purchase and sale

Unless otherwise stated in the following provisions of this paragraph, the general provisions on purchase and sale of items shall be applied to the purchase and sale of animals, birds and fish.

Article 609. Limitation of liability of the seller of animals, birds and fish to major defects

609.1. The seller of animals, birds and fish is only responsible for the non-conformity (major defects) defined below in the contract and only if these defects are revealed within specific warranty periods.

609.2. In the case of selling useful and breeding animals, the following are considered major defects:

609.2.1. in racing and pack animals - mangeling, incurable disease of the brain with loss of consciousness, difficulty breathing due to incurable disease of the larynx or trachea or lungs or well as inflammatory changes of the internal organs of the eye - with a 14-day guarantee period;

609.2.2. in cattle - tuberculosis disease with the general deterioration of the animal's condition with a 14-day guarantee period, as well as complete inflammation of the lungs - with a 28-day guarantee period;

609.2.3. distemper - scabies - with a 14-day guarantee period, golden wind - with a 3-day guarantee period; plague - with a 10-day warranty period.

609.3. When animals are sold for slaughter in order to obtain food products, the following are considered major defects: [\[445\]](#)

609.3.1. in racing and pack animals - mangeling - with a 14-day guarantee period;

609.3.2. in cattle - tuberculosis disease that made more than half of the animal's weight unsuitable for human consumption - with a 14-day guarantee period;

609.3.3. in sheep and goats - common hydrops - with a 14-day guarantee period;

609.3.4. in pigs - tuberculous disease that made more than half of the animal's weight unsuitable for human consumption - with a 14-day guarantee period, as well as trichinosis - with a 14-day guarantee period.

609.4. When selling other animals, birds and fish, the main defects are determined by the executive authority, and in the absence of normative legal acts, by the contract.

609.5. The warranty period starts from the end of the day when the risk is transferred to the buyer.

Article 610. Expansion and limitation of liability

In a written contract, the parties may agree on the special terms of limitation of liability.

Article 611. Presumption of guilt of animal, bird and fish seller

If any major defect is discovered during the warranty period, it is assumed that the defect existed until the risk passed to the buyer.

Article 612. Means of legal protection of the buyer of animals, birds and fish

612.1. Due to the presence of major defects in animals, birds and fish, the buyer can only demand the cancellation of the contract and cannot demand a reduction of the price.

612.1.1. In this case, the buyer may demand cancellation of the contract if he cannot return the animal, bird or fish due to circumstances for which he is not responsible, including if he cannot return the animal, bird or fish as a result of selling it to someone else, its loss, illness or slaughter. If an animal, bird or fish is slaughtered, the buyer pays the cost instead of returning it.

612.1.2. If the condition of the animal, bird or fish has deteriorated to an insignificant extent as a result of circumstances for which the buyer is responsible before the termination of the contract, the buyer must compensate for the decrease in its value. Any benefit resulting from the use of the animal, bird or fish shall be paid by the purchaser only if such benefit has been obtained.

612.1.3. In the case of cancellation of the contract, the seller must compensate the buyer for the costs of animal feeding and care, veterinary examinations and care, as well as for the costs of transport and removal of the animal.

612.2. The buyer of an animal, bird or fish with certain breed characteristics may request, in canceling the contract, that an animal, bird or fish that does not conform to the contract be given instead of an animal, bird or fish that does not conform to the contract.

612.3. If the seller gives a specific warranty that the animal, bird or fish is free from any defects or has any specific properties, and they do not comply with this warranty, the buyer can demand rescission of the contract or compensation for damages caused by non-performance.

Article 613. Loss of rights of the buyer of animals, birds and fish

613.1. The buyer is deprived of his rights on the basis of any major defect if, not later than 10 days after the expiry of the warranty period, or if the animal, bird or fish is killed or otherwise dies before the expiry of that period, from the death of the animal, bird or fish then does not inform the seller about this defect or send him a notification about it or make a claim against him based on the defect. If the seller was deliberately silent about this defect, the right is not lost.

613.2. The seller's rights to rescind the contract, send for replacement or compensation for damages shall expire two months after the expiration of the warranty period.

§ 3. Retail purchase

Article 614. Retail sales contract

614.1. According to the retail purchase agreement, the seller, who carries out entrepreneurial activity on the retail sale of goods, undertakes to give the goods intended for personal, family, or other use to the buyer, which is not related to entrepreneurial activity.

614.2. *Removed.* [\[446\]](#)

614.3. The law on the protection of consumers' rights and other normative legal acts and in accordance with it are applied to the relations not regulated by this Code in connection with the retail purchase agreement with the participation of the buyer who is a natural person.

Article 615. Form of retail purchase agreement

Unless otherwise stipulated in the retail purchase agreement, including the conditions of standard forms signed by the buyer, the retail purchase agreement is considered to be concluded in proper form from the moment the seller gives the buyer a cashier's check or commodity check document confirming that the goods have been paid for.

Article 616. General offer of goods

616.1. The offer of goods in advertising, catalogs and descriptions of goods addressed to an unspecified group of persons is considered a general offer (Article 408.8) if it includes all the terms of the retail sales contract.

616.2. Placing goods at the point of sale (on counters, showcases, etc.), displaying their signs or providing information about the goods sold (descriptions, catalogs, photos, etc.) of the goods, regardless of whether or not the price and other important terms of the retail purchase contract are indicated, is not an offer, but the exception is the case where the seller clearly determines that the goods are not intended for sale.

Article 617. Providing information about goods

617.1. The seller is obliged to provide the buyer with the necessary and correct information about the goods offered for sale, which is determined by the legislation and corresponds to the requirements usually put forward in retail trade.

617.2. Until the conclusion of the retail purchase contract, the buyer has the right to inspect the goods, to request the verification of the properties of the goods or to demonstrate their use, provided that this is not excluded due to the nature of the goods and does not contradict the rules and requirements of retail trade.

617.3. If the buyer is not given the opportunity to immediately receive the information on the goods specified in Articles 617.1 and 617.2 of this Code at the point of sale, he may demand from the seller to pay compensation for the damage caused as a result of unjustified refusal to conclude a retail purchase agreement, and if the agreement is concluded, refuse to execute the agreement within a reasonable period of time. The buyer may demand the return of the amount paid for the goods and compensation for other damages.

617.4. The seller, who does not give the buyer the opportunity to receive relevant information about the goods, is obliged to pay compensation for the damage caused.

Article 618. Sale of goods subject to acceptance by the buyer within a certain period

618.1. A retail sales contract can be concluded on the condition that the buyer accepts the goods within the period specified in the contract. During this period, the goods cannot be sold to another buyer.

618.2. If the contract does not provide for a different rule, the buyer's non-arrival or failure to perform other actions necessary for receiving the goods within the period specified in the contract can be considered by the seller as the buyer's refusal to perform the contract.

618.3. If the contract does not provide for a different rule, the additional costs incurred by the seller to ensure that the goods are delivered to the buyer within the period specified in the contract are included in the price of the goods.

Article 619. Sale of goods by samples

619.1. A retail sales contract can be concluded based on the buyer's familiarization with the goods of the type of goods offered by the seller (its description, catalog of goods, etc.).

619.2. If a separate rule is not provided in the contract, the contract for the retail sale of goods by sample is considered executed from the moment the goods are delivered to the place indicated in the contract, and if the place of delivery of the goods is not specified in the contract, from the moment the goods are delivered to the buyer at the place of residence of the individual or at the place of business of the entity.

619.3. Until the delivery of the goods, the buyer may refuse to execute the retail sales agreement under the condition that he reimburses the seller for the necessary expenses incurred in connection with the execution of the actions for the execution of the agreement.

Article 620. Sale of goods using vending machines

620.1. In cases where the goods are sold using vending machines, the owner of the machines is obliged to provide the buyers with information about the seller of the goods by placing information on the seller's name (company name), location, as well as the actions to be performed by the buyer to purchase the goods in the vending machine or by presenting it in another way.

620.2. A retail sales contract using vending machines is considered concluded from the moment the buyer performs the necessary actions to purchase the goods.

620.3. If the paid goods are not delivered to the buyer, the seller is obliged to immediately deliver the goods to the buyer at the request of the buyer or to return the amount paid.

620.4. In cases where the vending machine is used to change money, obtain payment in exchange currency, unless a different rule follows from the nature of the obligation, the rules for the purchase of goods are applied.

Article 621. Sale of goods subject to delivery to the buyer

621.1. When a retail purchase contract is concluded with the condition of delivery of the

goods to the place of residence of the natural person who is the buyer or to the place of entity.

621.2. The retail purchase contract is deemed executed from the moment the goods are handed to the buyer, or in the absence of a buyer, to any person who has presented a receipt or other document showing that the contract has been concluded or that the delivery of the goods has been provided provided that the contract does not stipulate a different rule or a rule different from the natural obligation. don't come forward.

621.3. If the contract does not specify the delivery time for the delivery of the goods to the goods must be delivered within a reasonable time after receiving the request of the buyer.

Article 622. Price and payment of retail goods

622.1. Unless a different rule follows from the nature of the obligation, the buyer is obliged for the goods at the price announced by the seller at the time of concluding the retail purchase agreement.

622.2. If the retail purchase agreement provides for the advance payment of the goods, failure of the buyer to pay for the goods within the period specified in the agreement, unless otherwise stipulated in the agreement of the parties, shall be considered as the buyer's refusal to perform the contract.

622.3. The rules stipulated in Article 600.5 of this Code should not be applied to the contracts for retail purchase and sale of goods, including the contracts concluded with the condition that the buyer pays for the goods in installments.

622.4. The buyer can pay for the goods at any time during the period specified in the contract for the payment of the goods in installments.

Article 623. Replacement of goods

623.1. If a longer period has not been announced by the seller, the buyer can exchange the purchased goods for a similar product of another size, shape, size, shape, color or structure within fourteen days from the moment of delivery of *the non-food product* at the place of purchase or at the places announced by the seller. At this time, if there is a difference in price, the necessary settlement shall be made with the seller. If the seller does not have the necessary goods for replacement, the buyer must return the goods to the seller and get back the amount of money he paid for the goods. [\[447\]](#)

623.2. The buyer's request for replacement or return of the goods must be paid under the condition that the goods have not been used, the consumer properties have been preserved and there is no evidence that they were received from the same seller.

623.3. The list of goods that should not be exchanged or returned on the basis specified in this article is determined in the manner determined by special legal acts.

Article 624. Buyer's rights when goods of poor quality are sold to the buyer

624.1. When the buyer is sold goods that are not of the required quality, if the defects of the

624.1.3. the defects of the goods should be eliminated free of charge without delay;
624.1.4. to be compensated for the costs incurred to eliminate the defects of the goods.

624.2. *Removed.* [\[448\]](#)

624.3. If the properties of the goods do not allow to eliminate the detected defects (*food & household chemical goods, etc.*), the buyer can, at his own choice, request the replacement of the goods with the required quality goods or a proportional reduction of the purchase price. [\[449\]](#)

624.4. Instead of making the demands specified in articles 624.1 and 624.3 of this Code, the buyer may refuse to execute the retail purchase agreement and may demand the return of the amount of money paid for the goods. [\[450\]](#)

624.5. *Removed.* [\[451\]](#)

Article 625. Payment of the price difference when exchanging goods, reducing the purchase price, and returning goods of insufficient quality

625.1. When replacing goods of poor quality with good quality goods corresponding to the requirements of the purchase and sale contract, the seller cannot demand payment of the difference between the price of the goods specified in the contract and the price existing at the time of its replacement or a court decision on its replacement.

625.2. When replacing a bad quality product with a good quality product that is significantly different in size, shape, type or other features, the difference between the price of the replaced goods at the time of replacement and the price of the product given in place of the product of poor quality must be paid. If the seller does not fulfill the buyer's request, the price of the exchanged goods and the price of the goods given in its place are determined by the court for the day of the decision on the exchange of goods.

625.3. If a request for a proportional reduction of the purchase price of the goods is made, the price of the goods for the moment when such a request is made, and if the buyer's request is not voluntarily fulfilled, the price for the day when the decision on the proportional reduction of the price by the court is taken into account.

625.4. When returning goods of insufficient quality to the seller, the buyer may demand payment of the difference between the price of the goods specified in the retail purchase agreement and the price of the relevant goods for the moment when his demand is voluntarily fulfilled, and if the demand is not voluntarily fulfilled, for the day when the court decision is issued.

Article 626. Responsibilities of the seller and performance of obligations in kind - removed

§ 4. Shipment of goods

Article 627. Shipment contract

entrepreneurial activities or for personal, family, home and other purposes not related to business within the stipulated period or periods .

627.2. *Removed.* [\[453\]](#)

Article 628. Settlement of disputes when concluding a shipment contract - removed. [\[454\]](#)

Article 629. Periods of shipment of goods

629.1. When the parties intend to send the goods in separate batches during the period of the shipment contract, and the terms of shipment of these batches (shipment periods) are not defined in the contract, the goods should be shipped in equal batches, unless otherwise determined by the law, the nature of the obligation, or the customs of business circulation. .

629.2. In addition to shipping periods, the shipment contract can also specify the schedule of shipment of goods (ten-day, daily, hourly, etc.).

629.3. Goods can be shipped ahead of time with the consent of the buyer. The goods sent ahead of time and accepted by the buyer are included in the amount of goods to be sent in the next period.

Article 630. Procedure for sending goods

630.1. The sender of the goods sends the goods to the buyer, who is a party to the shipping contract, or to the person specified as the buyer in the contract, by sending (giving) the goods.

630.2. If the shipping contract stipulates the right of the buyer to give instructions (shipping order) to the consignor to send (give) the goods to the buyers, the consignor sends (gives) the goods to the buyers specified in the shipping order.

630.3. The content of the shipping order and the period for its delivery by the buyer to the sender are determined by the contract. If the contract does not specify the period for issuing the shipping order, it must be given to the sender of the goods no later than thirty days before the delivery period.

630.4. Failure of the buyer to issue the shipping order within the specified time gives the sender the right to either refuse to execute the shipment contract or demand payment for the goods from the buyer. In addition, the sender of the goods may demand compensation for the damage caused due to the failure to issue the shipping order.

Article 631. Delivery of goods

631.1. The sender of the goods delivers the goods by the means of transport specified in the shipment contract and under the conditions specified in the contract.

631.2. The right to choose the type of transport or to determine the terms of delivery of the goods belongs to the sender of the goods in the cases where the contract does not specify the type of transport or under which conditions the goods are delivered, unless a different rule follows from the legislative act, the nature of the obligation or the customs of business circulation.

631.3. The shipment contract may stipulate that the buyer (buyer) buys the goods at the location of the sender.

buyer (buyer) must select the goods within a reasonable time after receiving notification from the sender that they are ready.

Article 632. Completion of incomplete shipment of goods

632.1. In addition, the consignor who has not fully shipped the goods during the shipping period must send the unshipped quantity of the goods in the next period (periods) during the period of the shipping contract, unless otherwise stipulated in the contract.

632.2. If the sender sends the goods to several consignees specified in the shipping contract or the buyer's shipping order, the goods sent to one consignee in excess of the amount specified in the contract or the shipping order, unless otherwise stipulated in the contract, are not included in the calculation of the completion of non-delivery to other consignees.

632.3. Unless otherwise stipulated in the shipping contract, the buyer may refuse to accept goods whose shipment has been delayed by notifying the sender. The buyer is obliged to accept goods sent by the sender until he receives the notification.

Article 633. Assortment of goods when full shipment is completed

633.1. The range of goods, which must not be fully shipped, is determined by the agreement of the parties. In the absence of such an agreement, the sender of the goods is obliged to complete the shipment of the amount of the goods in the range determined for the period in which this was allowed.

633.2. The shipment of goods of one name in excess of the amount specified in the shipping contract is not included in the calculation of the completion of the incomplete shipment of other goods of the same category. Unless such shipment is made with the prior written consent of the sender, the complete shipment must be completed.

Article 634. Acceptance of goods by the buyer

634.1. The buyer (recipient of goods) is obliged to perform all necessary actions to ensure the acceptance of the goods sent in accordance with the shipment contract.

634.2. Unless the defects of the goods cannot be determined by inspection, the goods are considered accepted if the buyer does not give notice. [\[455\]](#)

634.3. When receiving the shipped goods from the transport organization, the buyer (recipient) must check the compliance of the goods with the information specified in the transport accompanying documents, as well as accept these goods from the transport organization in accordance with the rules stipulated in the legislation regulating the activity of transport.

Article 635. Responsible storage of goods not accepted by the buyer

635.1. In accordance with the shipment contract, the buyer (recipient of goods) is obliged to ensure the safety of the goods (responsibly keep them) and send a notification to the sender without delay.

Is within this period, the buyer can sell the goods or return the goods to the consignor.

635.3. The consignor shall pay for the necessary expenses incurred by the buyer in connection with accepting the goods for safekeeping, selling them or returning them to the seller. At this time, the amount taken from the sale of the goods are given to the sender after deducting the amount received by the buyer.

635.4. If the buyer does not accept the goods from the sender or refuses to accept the goods on the grounds specified in the contract, the sender of the goods can demand the buyer to pay for the goods.

Article 636. Selection of goods

636.1. If the shipment contract provides for the selection of goods by the buyer (recipient) at the location of the sender, the buyer is obliged to inspect the goods at the place where they are delivered unless a different rule follows from the nature of the obligation.

636.2. Failure of the buyer (buyer of goods) to select the goods within the period specified in the shipping contract, and in the absence of such a period, after receiving the notification of the goods' readiness by the sender, within a reasonable time, gives the sender the right to refuse to execute the contract or to demand payment for the goods from the buyer.

Article 637. Settlements for shipped goods

637.1. The buyer pays for the shipped goods in anticipation of the billing procedure as provided for in the shipping contract. If the settlement procedure and form are not defined by an agreement of the parties, settlements are carried out by payment orders.

637.2. If the shipment contract provides for the payment of the goods by the buyer (payer) and the buyer (payer) unreasonably refuses to pay or does not pay for the goods within the period specified in the contract, the sender may demand payment for the goods sent from the buyer.

637.3. If the shipment contract provides for the shipment of the goods in separate parts included in the set, the buyer pays for the goods after the last part included in the set is shipped (selected) unless otherwise specified in the contract.

Article 638. Return of screen and container during shipment

638.1. If the shipping contract does not provide for a different rule, the buyer (recipient) is obliged to return the multi-use tarpaulin and packaging means in which the goods were sent in the same manner and within the time limits specified by the contract.

638.2. The other side of the goods, as well as the container, must be returned to the sender in the cases provided for in the contract.

Article 639. Consequences of sending goods of insufficient quality

639.1. The buyer (buyer) to whom the goods of insufficient quality are sent can bring for

639.2. The buyer (recipient) who carries out the retail sale of the shipped goods may require replacement of the goods returned by the consumer of insufficient quality within a reasonable time, provided that the shipping contract does not provide for a different rule.

Article 640. Consequences of sending goods without a package

640.1. By violating the terms of the shipment contract, the requirements usually set forth regarding completeness, the buyer (recipient of goods) to whom the goods are sent may bring forth requirements provided for in Article 592 of this Code against the sender.

640.2. The buyer (purchaser) who carries out the retail sale of goods may demand incomplete goods returned by the consumer be replaced with complete goods within a reasonable time provided that no other rule is provided in the shipping contract.

Article 641. The buyer's rights if the goods are not sent in full, if the requirements to eliminate the defects of the goods or to complete the set are not fulfilled

641.1. If the sender of the goods does not send the goods in the quantity specified in the shipping contract or does not fulfill the buyer's requirements for replacing the bad quality goods or completing the set of goods within the specified time, the buyer has the right to acquire the undelivered goods from other persons and bear all the necessary and reasonable costs incurred by the sender. do it.

641.2. In cases where the sender of the goods does not send the goods in full or the requirements to eliminate the defects of the goods or to complete the set of goods are not fulfilled, the costs incurred by the buyer to acquire the goods from other persons are calculated according to stipulated in Article 645.1 of this Code.

641.3. Until the defects of the goods are eliminated and the set is completed or until the goods are replaced, the buyer (purchaser) may refuse to pay for the goods that are not of the required quantity without the complete set, and if he has paid for the goods, he may demand the return of the amount paid.

Article 642. Deposit money for incomplete or delayed shipment of goods

In case of incomplete shipment or delay in shipment of the goods, the dabba fee determined by law or the shipping contract is charged from the sender of the goods until he actually fulfills his obligation within the limits of the duty to complete the amount of the incomplete goods. In subsequent periods of the shipment, provided that the payment of the dabba fee is separate from the payment of the dabba fee according to the law or the contract rule should not be considered.

Article 643. Execution of obligations of the same type under several shipping contracts

643.1. If the sender of goods simultaneously sends goods of the same name to the buyer under several shipping contracts, and if the quantity of the shipped goods is not sufficient to fulfill the obligations of the sender of all contracts, the sent goods shall be included in the account of the sender of the first contract.

643.2. If the buyer has paid the goods of the same name purchased under several shipping contracts to the sender, and the payment amount is not sufficient to fulfill the buyer's obligations under the contracts, the paid amount should be included in the contract performance account indicated by the buyer when paying for the goods.

643.3. If the consignor or the buyer does not use the rights granted to them in accordance with Articles 643.1 and 643.2 of this Code, the performance of the obligation shall be included in the account of the performance of the obligations under the contract with an earlier deadline. If the performance of obligations under several contracts reaches at the same time, the performed performance is included in the account of the performance of obligations under all contracts in a proportional manner.

Article 644. Unilateral change of the shipping contract or unilateral refusal of its execution. [456]
removed. _____

Article 645. Calculation of damages when the contract is terminated

645.1. If, as a result of the breach of the seller's obligation, after the termination of the contract, the buyer, within a reasonable period of time, instead of the goods stipulated in the contract, buys goods from another person at a higher but reasonable price, he can claim against the seller compensation for damages in the form of the difference between the price specified in the contract and the price of the goods actually contract executed instead. .

645.2. If, as a result of the buyer's breach of obligation, the seller sells the goods to another person within a reasonable period of time after the contract has been canceled, at a price lower than stipulated in the contract, but at a reasonable price, he can claim against the buyer compensation for damages in the form of the difference between the price specified in the contract and the price of the goods actually contract executed instead.

645.3. If 645.1 of this Code. and if no other contract has been concluded after the termination of the contract on the grounds stipulated in Articles 645.2 and there is a current price of the goods, the buyer may demand compensation for damages in the form of the difference between the price specified in the contract and the current price at the time of termination of the contract.

645.4. Where the goods are to be supplied, the price normally received for similar goods in comparable circumstances is the current price. If there is no current price at that location, the price applicable elsewhere, which may be a reasonable substitute, may be applied, taking into account the difference in the cost of transporting the goods.

645.5. The party that has not performed or improperly performed the obligations stipulated in Articles 645.1.-645.4 of this Code shall not be released from paying compensation for other damages caused to the other party.

§ 5. Buying and selling of real estate

Article 646. Contract of purchase and sale of real estate

the buyer.

646.2. If a different rule does not follow from the following provisions of this paragraph of the Civil Code, the general provisions on the purchase and sale of things shall be applied to the purchase of immovable property accordingly.

Article 647 . Costs of formalizing the contract of purchase and sale of real estate

The buyer bears the costs of notarizing the purchase and sale agreement and registering the real estate in the state register. [\[457\]](#)

Article 648. Duties of the parties during the purchase and sale of real estate

648.1. In case of purchase and sale of immovable property, each of the parties performs the necessary actions for giving or receiving by performing the necessary actions to register the fact of transfer of ownership in the state register of immovable property.

648.2. In case of doubt, the risks, costs and benefits related to the sold item pass to the buyer from the moment the real estate is entered into the state register. If one of the parties is delaying the registration, he must compensate the other party for the damage caused by this.

648.3. *If, among other provisions, the subject of the purchase agreement is the shares of the land on which the construction of the unfinished building is located, the buyer cannot be obliged to pay the purchase price in full before the construction is completed. At this time, payments should be made in installments according to the stages of construction, taking into account the conditions stipulated in Article 770-1 of the Civil Code.* [\[458\]](#)

Article 649. Ineligibility of sold real estate

The non-conformity of the sold immovable property occurs even if the non-existent rights or interests in that object are indicated in the state register of immovable property, in addition to its non-conformity with the contract.

Article 650. Application of the provisions on the purchase and sale of immovable objects, which are required to be registered in official registers

Instructions on the purchase and sale of immovable items shall be applied accordingly to the purchase and sale of items required to be registered in official registers.

§ 6. Purchase and sale of claims and other rights

Article 651. Application of provisions on the purchase and sale of goods to the purchase and sale of claims and other rights

ts to immovable objects and objects registered in official registers are sold.

Article 652. Exercising the right (remission of the claim)

If the right is sold, shipping and receiving consists of the transfer of the right (relief of d
The costs of justifying the right of the seller and transferring it to the buyer are borne by the selle

Article 653. Sale of property rights

In the case of sale of the right of ownership of the item, the seller is obliged to send the ite
buyer free from defects, as well as rights and claims of third parties.

Article 654. Responsibilities of the seller during the purchase and sale of rights and claim

654.1. The seller of any claim or any other right is responsible for ensuring that such claim
actually exists. The seller of the security is also responsible for not initiating any proceedings th
lead to the invalidity of the security.

654.2. If the seller of any claim assumes responsibility for the debtor's solvency, that respc
is deemed to be solvency at the time the claim is discounted.

§ 7. Factoring

Article 655. Factoring contract

655.1. Factoring is financing in exchange for discounting the demand for money. Accordin
factoring contract, one party (factor) gives or undertakes to give money to the other party (c
due to the customer (creditor) giving goods, performing works or providing services to a thi
(debtor), and the customer discounts this money claim to the factor or undertakes to discount it.

655.2. The debtor must be notified about the concession of monetary claims.

655.3. The customer can also grant the factor a discount on the debtor's money claim in
ensure the fulfillment of his obligations to the factor.

655.4. The factor's obligations under the factoring agreement may include accounting for tl
as well as providing other financial services related to the client's monetary claims subject to dis

655.5. The factoring contract is concluded in written form.

655.6. Factoring contracts can be concluded by banks and other credit organizations as fa
well as other commercial organizations authorized to carry out such activities.

Article 656. Application of provisions on the purchase and sale of receivables to the f contract

If no other rule follows from the following provisions of this paragraph of this Code, the p

Article 657. Characteristics of relations between the participants of the factoring contract

657.1. *Removed.* [\[459\]](#)

657.2. Any clause in the factoring contract that provides for the concession of future claim that the claims pass to the factor at the time they arise without any further action on delivery.

657.3. The factoring agreement may also regulate the extent to which the client's ri transferred to the factor.

657.4. If the debtor has received a written notice of discount from the customer or the f behalf of the customer, he must make the payment to the factor. The notice is valid only if it su specifies the discounted claims and the factor for which the debtor makes the payment or on his and relates to the claims arising from the contract concluded at the time of the notice or earlier.

657.5. If the debtor is aware of the preferential right of another person to make the payn obligation to make the payment in accordance with Article 657.4 of this Code disappears.

657.6. Irrespective of other grounds that relieve the debtor from debt as a result of payme factor, debt relief is the result of payment if that payment is made in accordance with Article 657 Code.

657.7. If the factor requires the debtor to pay an amount based on the contract, the deb inform the factor of all the objections arising from the contract and which the client may ra demands payment. At the time of the written notice of concession, the debtor may assert any rig payment of its claims against the customer as an objection against the factor within the frame mutual compensation.

657.8. The fact that the consignor does not perform, improperly performs or delays perform the obligations under the purchase agreement does not in itself give the debtor the right to den return of the amount paid to the factor. If the debtor has the right to demand the return of the an paid to the factor on any demand, he can demand the return of that amount from the factor or factor does not fulfill the obligation to pay to the sender of the goods according to this demand customer has not fulfilled the contract regarding the goods to which the debtor's payment rel execute it at the moment when he knows that it is not properly executed or its execution is delay

657.9. If the client grants any claim to the factor based on the factoring agreement, then, f any subsequent concession of the claim by the factor or to any subsequent claimant, Articles 657 of this Code shall be applied in such a way that the subsequent claimant is the factor, and seco the notice addressed to the debtor about the next concession is also a notice addressed to the fact

657.10. The provisions of this paragraph of this Code do not apply to the subsequent co prohibited by the factoring agreement.

§ 8. Purchase for trial

Article 658. Contract of sale for trial

658.3. *Removed.* [\[460\]](#)

658.4. The buyer can express his consent to the subject he received for testing or inspect within a specified period, and if this period is not specified, only until the end of a reasonable period determined by the seller for the buyer. If the item has already been given to the buyer for inspection, his silence is considered as consent.

Chapter 30.

Preemptive right to purchase and other preferential rights

Article 659. General provisions on the right of preference in purchase and other preferential rights

659.1. Preemption rights and other preferential rights to any thing or right may arise by operation of law or by contract. If such rights are based on a contract, they bind only the parties to the contract and cannot be imposed against third parties who have acquired that item or that right.

659.2. The right of pre-emption and other pre-emptive rights based on a contract are valid only if they are registered in the form required for the validity of the contract to which they refer.

659.3. Preferential right to purchase and other preferential rights do not apply in the following cases:

659.3.1. when they refer to objects or rights whose transfer to another is regulated by procedures provided for in normative legal acts;

659.3.2. within the framework of the proceedings, including in the case of a sale within the framework of a compulsory auction sale.

659.4. If preemption rights and other preferential rights based on a contract relate to essential objects and rights that are scarce, interested parties may dispute their validity.

659.5. If any preemptive right and other preemptive right in the purchase are not exercised, compensation of the fee paid for the granting of such right, including interest determined by law from the date of its payment, shall be paid.

Article 660. Preferential right to purchase

660.1. A person who has been given the right to preemptively purchase any object can exercise this right after the person who is obligated under the preemptive right to purchase has concluded an agreement with any third party on the purchase and sale of that object.

660.2. The liable person shall immediately inform the person who has been granted the right to purchase the content of the contract concluded with a third party. The data of the liable person shall be replaced by the data of the third party. The right of preference in purchase can be exercised within one month after receiving the information.

660.3. In order to exercise the right of preference in purchasing, an application is submitted to the liable person. No prescribed form is required for sales contracts for application.

request that it be reduced to the current price level. When the free person exercises that right, the liable person can cancel the purchase contract. The legal remedies of the contract participants are determined by the purchase and sale contract. If a third party secured the ownership of the item, the authorized person exercised the right of preference in purchase, the legal remedies of the authorized person against the obligee are limited by the demand for compensation for the damage caused by non-performance.

660.5. If the taxpayer's agreement with the third party makes the purchase dependent on the exercise of the right of preference in purchase, or if the right of refusal of the taxpayer is maintained in the case of the exercise of the right of preference in purchase, that agreement is not valid for the taxpayer who has been given the right to preemption.

660.6. If a third party undertakes under the contract the performance of any additional obligation, and that the subcontractor is unable to perform, the subcontractor shall pay its value in lieu of the performance of the obligation. If the obligation cannot be valued in money, the exercise of the right of preference in purchase is excluded. However, if the contract with the third party can be completed without that obligation, the condition about any additional obligation is not taken into account.

660.7. If a third party acquires any object to which the right of preemption applies together with other objects at a common price, the person granted the right of preemption shall pay a proportion of that total price. The taxpayer may request that the right of preference in purchase be exercised only on all indivisible items.

660.8. Unless otherwise stipulated, the right of preference in purchase is not transferred to the authorized person and does not pass. When the right is limited to a specific period, it is not an inheritance in case of doubt.

Article 661. Other preferential rights

Where applicable, the provisions of Articles 659 and 660 of this Code are valid for other preferential rights, including the right to repurchase (purchase) the sold item and the preferential rights to lease.

Chapter 31.

Replacement

Article 662. Replacement contract

662.1. According to the contract of exchange, each of the parties undertakes to transfer one thing of the property of the other party in exchange for another thing.

662.2. The purchase and sale instructions apply *mutatis mutandis* to the replacement contract.

662.3. Each participant of the relationship under the exchange contract is considered the seller of the thing he promised to give to the other party and the buyer of the thing he bought.

Article 663. Prices and costs under the replacement contract

663.1. If no other rule follows from the contract of exchange, the goods to be exchanged are considered to be of equal value, and the costs of their delivery and acceptance are borne by the party bearing the relevant duties in each case.

663.2. *Removed.* [\[461\]](#)

Article 664. Reciprocal performance of the obligation to provide the goods under the exchange contract

If the terms of delivery of the exchanged goods do not coincide in accordance with the exchange contract, the rules on mutual performance of obligations shall be applied to the performance of the obligation of the party who must deliver the goods after the other party has delivered the goods.

Article 665. Transfer of ownership of exchanged goods

Unless otherwise specified in the exchange contract, ownership of the exchanged goods is transferred to the parties acting as buyers under the exchange agreement simultaneously at the time the parties have fulfilled their obligations to deliver the respective goods.

Chapter 32.

forgiveness

Article 666. Forgiveness agreement

666.1. An endowment contract is a contract entered into during his lifetime in which the donor enriches the donee by donating a portion of his property, and such donation is not conditioned on reciprocal service on the part of the donee. The contract of donation is considered to be concluded when the recipient of the gift accepts the gift. If the donation is not conditioned by obligation, it is presumed to have been accepted.

666.2. The subject of donation may be objects, property rights (claims) against the donor or another person, as well as the exemption of the recipient from property duties against the donor or another person.

666.3. The performance of a moral or moral obligation is not forgiveness.

Article 667. Ability to donate and accept gifts

667.1. A person capable of functioning can dispose of his property by way of donation. The donor's property is not limited by the common property of the spouses or the right of inheritance.

667.2. Donation from the property of an incapacitated person can be carried out only under the condition of maintaining the responsibility of the legal representatives, as well as in accordance

acceptance of the gift or ordered its return, the gift is not available or is canceled.

Article 668. Forgiveness form. A promise of forgiveness

668.1. Forgiveness is valid in the following cases:

668.1.1. when donating immovable objects or rights to those objects, the donation agreement is
notarized; [\[462\]](#)

668.1.2. when donating movables that are required to be registered in official registers, the donation
contract is notarized; [\[463\]](#)

668.1.3. when the giver gives the thing to the recipient during the donation of movable objects;

668.1.4. during the waiver of claims and other rights, if they are made in writing in accordance with
the requirements of this Code;

668.1.5. when forgiveness is promised in the future, when this promise is notarized.

668.2. *Removed.* [\[464\]](#)

Article 669. Withdrawal of a gift before acceptance

A person who gives something to another person with the intention of donating it can withdraw the gift
at any time until the recipient accepts the gift.

Article 670. Conditions and obligations under the forgiveness contract

670.1. Forgiveness can be made conditional on the fulfillment of conditions or obligations.

670.2. In the case of the death of the donor, the donation is executed according to the provisions of
the inheritance law.

670.3. In accordance with the donation agreement, the donor and his heirs can file a claim for non-
performance or improper performance of the obligation undertaken by the recipient. If public interests
are observed by the performance of the obligation, the relevant executive authority may deny the
performance after the death of the donor.

670.4. If, after concluding the contract of donation, the recipient of the gift discovers that the value
of the gift does not cover the costs of the performance of the obligation and that he will not be
compensated for the damage, he may refuse to perform the obligation.

Article 671. Restitution of the gift

The donor may reserve the right to restitution of the donated item in the event of the recipient's
predecease. Such right of restitution may be registered in advance in the state register of im-
movable property when land plots or property rights are donated to them.

Article 672. Responsibility of the donor

672.2. In other cases, the giver of the gift is only responsible for what they promised to the r

Article 673. Refusal to forgive

673.1. The donor may refuse to donate in the following cases:

673.1.1. when the recipient of the gift commits a serious crime against the giver or his close

673.1.2. when the family receiving the gift grossly violates the obligations imposed
accordance with the legal relations regarding the giver or one of his close relatives; [KMQ28](#)

673.1.3. if he unreasonably fails to perform the obligations of forgiveness.

673.2. The giver of the gift can cancel the promise to forgive and refuse to perform
following cases:

673.2.1. in the cases provided for in Article 673.1 of this Code;

673.2.2. if after the promise was made, the donor's property relations changed to such an ex
the donation could become an extremely heavy burden for him;

673.2.3. when, after the promise, the donor's obligations regarding family legal relatio
which did not exist before, or which were very small.

673.3. The refusal is valid only if the notification of the refusal reaches the recipient within
from the date of its basis becoming known to the donor. If the donor dies before the end of that
right of renunciation passes to his heirs for the remaining period. If the donee intentionally k
donor or prevented him from rescinding the donation, the heirs of the donor may refuse to
[KMQ28](#)

673.4. If the donation is refused, the recipient is obliged to return the gift if the donated ob
his possession.

Article 674. Cancellation of donation and termination of obligations of the donor

674.1. In the following cases, the waiver is canceled without the need to exercise the
withdrawal:

674.1.1. when the promised item is lost or destroyed;

674.1.2. when the tender proceedings are initiated for the property of the donor.

674.2. When the grantor undertakes to perform services from time to time, this oblig
terminated by his death, unless otherwise stipulated.

Chapter 33.

Property rental

Article 675. Property rental agreement

According to the property lease agreement, the lessor undertakes to provide the object fo

Article 676. Liability of the lessor

676.0. During the entire rental period, the lessor is responsible for:

676.0.1. the rented item must be in a condition suitable for use by the tenant;

676.0.2. the leased object must have the properties guaranteed by the property lease agreement;

676.0.3. any rights or claims of third parties should not prevent or exclude the use of the object provided for in the contract;

676.0.4. a living room or other room intended for the presence of people must always be in a condition that its use does not cause obvious dangers to the life and health of the users to the lessor.

Article 677. Legal remedies of the lessee if the thing does not conform to the contract

677.1. Non-compliance with the requirements of Article 676 of this Code, which is the subject of a real estate rental agreement, gives the lessee the right to apply the following legal remedies:

677.1.1. if the object is destroyed due to its non-compliance with the contract or its usefulness determined by the contract decreases, the lessee is exempted from paying the rent for the period when the object's usefulness is lost, and for the period when its usefulness is reduced, he is obliged to pay only a part of the rent. An insignificant decrease in utility is not taken into account. In the apartment rental agreement, deviations from this to the detriment of the tenant are not valid;

677.1.2. if any inconsistency with the contract becomes known at the moment of its conclusion or such inconsistency arises later as a result of some circumstance for which the lessor is responsible, if the lessor delays the elimination of such inconsistency, the lessee shall, in addition to Article 676 of this Code, be liable for damages resulting from non-performance of the obligation and may claim compensation for damages;

677.1.3. in addition, in case of delay of the lessor, the lessee can eliminate the defect himself and demand to pay for the necessary costs incurred by him;

677.1.4. if the lessee does not receive the rented item in whole or in part within the period specified in the contract, or if the item is taken away from him or significantly deteriorates, and the lessor delays, the lessee may cancel the contract without waiting for the notice period. Termination of the contract as a result of an insignificant obstacle to use or deprivation of use is allowed only if the interests of the tenant justify it. If the lessor disputes the admissibility of the termination of the contract on the basis that he put the thing into use on time or eliminated the defect before the end of the notice period, he must prove them. An agreement that excludes or limits the right to cancel the contract is not valid. The legal relationship of renting a living room is not valid.

677.2. If the incompatibility of the leased object with the contract was known to the lessee at the time of concluding the contract, he cannot use the rights specified in Article 677.1 of this Code. If the tenant knowingly accepts a defective item that does not conform to the terms of the contract, he cannot exercise these rights only if he reserved the right to exercise them when accepting the item. The provisions of this Article (677.2) do not apply to violations of the contract in accordance with Article 677.1.4 of this Code.

677.3. The lessee must immediately notify the lessor of any non-conformities with the contract.

.. If the tenant does not give notice, he is obliged to pay for the damage caused as a result. If the lessor cannot eliminate any defects due to the lessee's failure to notify, the lessee has no right to the rights specified in Article 677.1 of this Code.

677.4. An agreement exempting the lessor from liability for defects in the leased item or this liability is void, provided that the lessor has intentionally kept silent about those defects.

Article 678. Effects on the rented object

678.1. The lessee of the rooms must allow the lessor to carry out activities that are of an unrelated or insignificantly related nature to the impact on the rented rooms.

678.2. Actions that objectively have any significant impact on the rented property shall be permitted by the lessee provided that:

678.2.1. the effect is, firstly, necessary for the safety of the rented rooms or the building; secondly, it is the result of measures aimed at improving the rented rooms or other parts of the building or saving energy spent on heating, which do not cause unacceptable discomfort for the tenant or his family (when evaluating the admissibility, the nature and duration of the inconveniences caused by the works, the previous expenses of the tenant, the expected increase of the rent, as well as the reasonable interests of the lessor and other tenants are taken into account); expected growth is not taken into account);

678.2.2. three months prior to the implementation of the rental measures, the lessor shall notify the tenant in writing about the nature, scope, beginning and expected duration of these measures as well as about a possible increase in the rent;

678.2.3. the lessor shall pay the costs incurred by the lessee as a result of the implementation of those measures; At the request of the tenant, the landlord must give him an advance.

678.3. In cases according to Article 678.2 of this Code, the tenant has the right to cancel the contract for the end of the next month within two months from the date of receipt of the notice. If the tenant declares the termination of the contract, the measures are postponed until the end of the rental period.

678.4. In the apartment rental agreement, the agreement on deviations to the detriment of the tenant is not valid.

Article 679. Payment of encumbrances, state taxes and local taxes under the real estate rental agreement

The renter shall pay the charges, state taxes and local taxes related to the rented item unless otherwise agreed.

Article 680. Necessary costs of the tenant

680.1. The lessor is obliged to compensate the lessee for the necessary expenses incurred for the maintenance or restoration of the leased object. Reimbursable expenses do not include the following:

680.1.1. in the case of renting buildings, facilities or vehicles - operation, maintenance and repair costs;

680.2. The duty of the lessor to pay for other costs, including the costs of improving the object, is determined by the provisions of this Code on carrying out other work without an assignee.

Article 681. Lessee's facilities

The tenant has the right to take the equipment that he has attached to the property. An agreement excluding the right of the apartment tenant to take the unit is void.

Article 682. Change or deterioration of the rented object

The lessee is not responsible for changes or deterioration of the rented object as a result of the contract.

Article 683. Transfer of rented object to third parties

683.1. Without the permission of the lessor, the lessee has no right to give the rented object to a third person who is not part of the lessor's family, including renting the object from second hand. If the lessor refuses to give permission, the tenant can cancel the legal relationship by waiting for the period established by law, provided that, objectively, the third party does not provide important grounds for the refusal of permission.

683.2. If, after the conclusion of the rental agreement, the tenant of a living room has a reasonable interest in giving a part of that room to any third party for use, he has the right to obtain permission from the lessor for this purpose, provided that, objectively, the third party does not provide important grounds for refusing permission, except for the living room. The tenant shall not be overcharged, or to assume the lessor would ordinarily permit such second-hand rent. If the lessor permits such subletting on condition that the rent be increased to a reasonable extent, he may condition his permission on the lessee's agreement to such increase. The agreement on deviations to the detriment of the tenant is void.

683.3. When the use is transferred to a third party, the lessee is responsible for the fault of the third party during the use, even if the lessor agrees to the second-hand rental.

Article 684. Payment term for real estate rent

684.1. If the rental period is less than one month, the property rental fee must be paid at the end of that period. If the rental period is more than one month, the property rental fee shall be paid in installments at the end of each month, if necessary. If the property rent is calculated in time units, it shall be paid at the end of the individual time units.

684.2. The tenant is not exempted from paying the property rent due to his inability to exercise the right of use due to any personal reasons. However, the lessor must agree on the calculation of the benefits saved during the use of the leased object, as well as the calculation of the benefits that he could have obtained if he had used the object in another way.

685.1. If the lessee or any other person to whom he makes use of the rented object, despite the lessor's warning, continues to use it in a way that is not in accordance with the contract and significantly violates the lessor's rights, including keeping the object for illegal use by a third party or exposing it to danger, thereby The lessor may terminate the tenancy agreement without waiting for the notice if the lessor violates his bona fide tenant duties. Instead of giving a notice to cancel the contract, the lessor can file a negation claim.

685.2. The lessor may cancel the rental agreement without waiting for the notice period in the following cases:

685.2.1. if the tenant delays the payment of the rent or a significant part of it for two consecutive periods;

685.2.2 when delaying the payment of property rent for more than two periods in the amount of two months' property rent.

685.3. In accordance with Article 685.2 of this Code, if the lessor is satisfied before the contract is terminated, the termination of the contract is excluded. If the tenant is released from his debt within the framework of mutual compensation and announces the cancellation of his debt immediately after the declaration of the cancellation of the contract, the cancellation of the contract is invalid.

685.4. In addition to Article 685.2 of this Code, the following instructions apply to the rental agreement in the room:

685.4.1. in the case provided for in Article 685.2.1 of this Code, the unpaid part of the property rent is considered significant only if it is higher than the amount of one month's property rent (however, this does not apply if the living room is rented only for temporary use);

685.4.2. if, as a result of non-payment of property rent on time, the lessor is provided with the right to eviction and other rights of the lessor to be enforced in accordance with this Code within one month after the end of the case, or if any state body undertakes the duty of providing it, the cancellation has no effect;

685.4.3. the agreement on deviations from this to the detriment of the lessor is not valid.

Article 686. Cases in which continuation of legal relations under the rental agreement is allowed. Termination of contract without notice period

If one of the parties violates its obligations due to its own fault to such an extent that the continuation of the legal relationship under the room rental agreement becomes unacceptable for the other party, then the legal relationship may be terminated without notice. The agreement of the parties contrary to the provisions of this article is void.

Article 687. Prohibition of immediate cancellation of the apartment rental agreement on other than those provided by law

An agreement that gives the lessor of the apartment the right to cancel the contract without waiting for the contract termination period on other grounds than those specified in the law is invalid.

Article 688. Reservation fee, deposit, and deposit money during property rental

688.1. A fee paid by any person having an interest in the lease for the purpose of entering a future lease (reservation or reserve fee):

688.1.1. if it was paid to the lessor, his deputies or intermediaries, it is included in the property rental account when the rental agreement is concluded. If the intermediary is a real estate broker, the reservation fee goes first to the account of the broker's salary calculated on the basis of state tax law, and only the remaining part is included in the account of the property rental fee;

688.1.2. if it is more than the amount of two months' rent, it may be reclaimed at any time by any person having an interest in the rent;

688.1.3. it may be fully reclaimed by the tenant at any time if the tenancy agreement is not concluded without fault of the tenancy interest or the tenant is not provided with an opportunity to take possession of the thing contrary to the tenancy agreement.

688.2. If the tenant is required to provide security for the landlord to perform his obligations, the security shall not exceed two times of one month's rent of the property. If the security is expressed in a sum of money, the lessor must place it in the bank separately from his own capital, with the interest for deposits with a statutory retention period. The interest belongs to the tenant and is used to increase the security of the obligation.

688.3. In the case of renting living rooms, the agreement on deviations from the requirements of Articles 688.1 and 688.2 of this Code to the detriment of the tenant is not valid.

688.4. There is no validity of the agreement that gives the lessor the obligation to pay the property rental fee from the tenant.

Article 689. Lease term

689.1. Legal relations under the rental agreement are terminated when the contract period expires.

689.2. If the rental contract does not specify the term, any participant of the rental relations must give a notice of cancellation of the contract in accordance with the instructions of Article 690 of this Code.

Article 690. The form and content of the notice on the termination of the property rental agreement

690.1. Notice of termination of the property rental agreement must be given in writing.

690.2. The notice of termination of the property rental agreement must specify the grounds for the termination of the agreement.

690.3. The lessor of the living room must show the tenant the opportunity to file a protest in accordance with Article 696 of this Code, as well as the form and period of filing the protest.

Article 691. Periods of cancellation of property rental agreement

691.1. In the legal relations under the lease agreement of land plots, rooms or ships registered in the official register, the termination of the agreement is allowed in the following cases:

691.1.1. when the notice of termination of the contract is given on any day, taking effect at

691.1.2. when the property rental fee is calculated on a weekly basis, when the contract can notice is given on the first working day of the week, taking effect at the end of the following Sun

691.1.3. when the rent is calculated by months or longer periods of time, when the termination of the contract is given on the first working day of the calendar month, taking effect at the end of the month after the following month.

691.2. Termination of the contract in legal relations under the apartment rental contract is only if the notice of termination of the contract is given on the first working day of the calendar month, taking effect at the end of the month after the following month.

691.3. The terms of giving a warning about the cancellation of the contract specified in 691.1.3 and 691.3 of this Code, which must be expected by the tenant, are extended by three months in favor of the tenant three, six and nine years after the leased object has been handed over. The periods for termination of the contract remain unchanged for the tenant. Agreements that provide for shortening the period of time that the lessor must wait for the notice of termination of the contract are invalid.

691.4. In the legal relations under the contract of rental of movable objects, the termination of the contract is allowed in the following cases:

691.4.1. when the notice of cancellation of the contract is given on any day, taking effect at the beginning of the next day, when the property rental fee is calculated by days;

691.4.2. when the property rent is calculated for longer time periods, when the notice of termination of the contract is given no later than seven days before the day of termination of the tenancy relationship.

Article 692. Conditions for terminating the apartment rental contract

692.1. Subject to the provisions of Article 692.4 of this Code, the lessor may cancel the tenancy relationship under the apartment rental contract only if he has a substantial interest in terminating the legal relationship.

692.2. The desire of the lessor to terminate the tenancy relationship is considered justified in the following cases:

692.2.1. when the tenant is guilty of breach of contractual obligations;

692.2.2. when the lessor needs the rooms as an apartment for himself or his family members;

692.2.3. if, as a result of the continuation of the tenancy legal relationship, the lessor cannot use the land area in an economically profitable way and may incur considerable losses as a result. In this case, the possibility of receiving a higher fee for renting the property is not taken into account when the room is rented out to other persons. The lessor may also not refer to the fact that he wants to use the rooms in connection with the establishment of the apartment ownership intended or implemented, if the rental rooms have been given to the tenant;

692.2.4. when the lessor intends to transform auxiliary non-residential rooms of the building into residential rooms in a permissible manner by equipping them with new equipment for the purpose of renting and restricts the cancellation of the contract only to these rooms. In this case, the tenant may request a reasonable reduction of the rent. If the start of the works of equipping those rooms is delayed, the tenant can request the extension of the lease relationship for the period of the delay.

692.3. Only the grounds specified in the notice of termination of the contract are accepted if they do not conflict with the lessor's legitimate interests, provided that they do not arise later.

692.4. The lessor may terminate the legal relationship under the contract for renting an apartment in a residential building where he lives and consists of at most two apartments, even if the conditions stipulated in Article 692.1 of this Code. In this case, the notice period for termination of the contract is extended by three months. This applies accordingly to the legal relations under the contract for renting a living room within the apartment where the lessor himself lives.

692.5. A land lease contract concluded for an indefinite period can be canceled at the end of each calendar year, subject to a six-month cancellation period.

692.6. If the lease agreement is concluded for a period of more than 30 years, after 30 years the tenant as a participant of the legal relationship under the lease agreement can give notice of its termination. If the contract is concluded for the whole lifetime of the lessor or the lessee, cancellation is not allowed.

692.7. Other tenant protection rights remain unaffected.

692.8. The agreement on deviations from the rules stipulated in Article 692 of this Code to the detriment of the tenant is not valid.

692.9. The instructions of Article 692 of this Code do not apply to legal relations under the contract on the rental of the following:

692.9.1. a living room rented for temporary use only;

692.9.2. a living room that is a part of the apartment where the lessor lives and must be mainly furnished by the lessor, provided that the living room is not given to a family for long-term use;

692.9.3. a living room that is part of a student or youth hostel;

692.9.4. if at the time of signing the contract, the lessor indicated the destination of the living room to the tenant, the living room in resort houses and rest houses located in resort areas and recreational areas;

692.9.5. a living room rented by a legal entity as part of its duties to provide housing to persons in the dire need of housing or persons studying.

Article 693. Continuation of validity of agreements on the rental of living rooms with a fixed period of validity

693.1. In the legal relations under the agreement on the rental of a living room with a fixed period of validity, the tenant can demand the continuation of these relations in the following cases:

693.1.1. if it is possible to demand the continuation of relations in case of termination of the contract according to this Code. If, at the time of concluding the rental agreement, the tenant was aware of circumstances that gave the lessor the reason to return the apartment within a specified period, only the circumstances that occurred after the conclusion of the agreement are taken into account in favor of the tenant;

693.1.2. if the term of the legal relationship under the apartment rental contract is more than one year, and the lessee requests the continuation of these relations for an indefinite period from the beginning of the term based on a written notice no later than two months before the termination of the legal relations, if the lessor does not have a reasonable interest in terminating the relationship. Article 692 of this Code applies to the continuation of the legal relationship.

693.2. The legal relationship under the fixed-term contract on renting a living room is extended to an indefinite period in the following cases:

693.2.1. if after the end of the rental period, the tenant continues to use the room and within 30 days, the landlord or the tenant does not notify the other party, respectively, of his intention to terminate the contract. For the tenant, the period starts from the moment of the continuation of use, for the landlord from the moment when this continuation is known to him;

693.2.2. if the cancellation is not carried out in accordance with the instructions of Article 693.2.1 of this Code.

693.3. In the legal relations under the contract concluded with a suspensive condition on the rental of a living room, it is considered that the legal relations are extended for an indefinite period when the condition occurs. If, when that condition occurs, the lessor gives notice of the termination of the contract and the lessee demands the continuation of legal relations in accordance with Article 693.1 of this Code, only the circumstances that occurred after the conclusion of the lease contract should be taken into account in his favor.

693.4. The agreement on deviations from the requirements stipulated in Article 693.3 of this Code to the detriment of the tenant is valid only if the living room is rented for temporary use.

Article 694. Termination of service apartment rental contracts

694.1. When a living room is rented out taking into account the existence of a service relationship, any participant of the legal relationship under the rental agreement may give a notice of termination of the contract before or one month after the termination of the service relationship. In this case, the cancellation takes effect at the end of the month following the month in which it is notified. If the notice of cancellation is not given within that period, the general rules apply.

694.2. When applying the general rules, the requirements of the person entitled to service apartment rental should also be taken into account.

Article 695. Consequences of the tenant's death

695.1. In the case of the death of the tenant, the legal relationship under the rental agreement is continued with other tenants, if there are any. In the absence of other tenants, legal relations under the lease agreement are continued with the heirs. The next tenant or heir has the right to give a notice of termination of the legal relationship under the tenancy agreement by waiting for the statutory periods.

695.2. In the case of the death of the tenant, the tenant's wife (husband) or family member enters into legal relations under the contract for the rent of the living room where the tenant lives with his (her) family members. If these latter declare to the lessor that they do not intend to continue the tenancy rights relationship within one month after the tenant's death becomes known to them, it is considered that they have not entered into those rights relationships. If there are several family members, each of them can give a notification instead of him. When several members of the family enter into such legal relations, they can exercise the rights arising from the tenancy law relationship together. They are jointly responsible for the obligations arising from these legal relations.

ions with the wife (husband) or family members, the heir bears sole responsibility.

695.4. If the heir, wife (husband) or family member entering into the tenancy relationship for important reasons for terminating the tenancy agreement, the lessor may issue a notice of termination of the tenancy agreement by waiting for the statutory notice periods.

695.5. Agreements that contradict the requirements of Article 695 of this Code are invalid.

Article 696. The right of the apartment tenant to file a complaint

696.1. If the termination of the legal relationship in accordance with the apartment rental agreement can lead to serious consequences for the tenant and his family, and it cannot be justified even taking into account the fundamental interests of the lessor, the tenant can file a complaint about the termination of the agreement and ask the lessor for that agreement. The lessor may require the continuation of legal relations. Serious consequences also occur if it is not possible to replace the former room with a suitable room on reasonable terms. Only the grounds specified in the notice of termination shall be taken into account when taking into account the lessor's legitimate interests, provided that they have not occurred subsequently.

696.2. In the case provided for in Article 696.1 of this Code, the tenant may demand that the legal relationship be continued as long as it is considered reasonable, taking into account all the conditions. If it is not possible for the lessor to continue legal relations in accordance with the current conditions, the lessee can only request their continuation under reasonably modified conditions.

696.3. If an agreement is not reached, the decision on the continuation of the tenancy relationship and the tenancy period, as well as on the conditions for the continuation of the tenancy, is made by the court. If it is not possible to predict when the conditions that lead to severe consequences for the tenant or his family will disappear, then it can be determined that the tenancy will continue for an indefinite period. If, according to the agreement or court decision, it is determined that the tenancy relationship will be continued for a certain period, the tenant can request the continuation of the relationship for that period only if it is justified by a significant change in circumstances or will be used as a basis for determining the duration of the relationship, and situations that are expected to occur do not occur.

696.4. In the following cases, the tenant cannot demand the continuation of the legal relationship:

696.4.1. if he has given notice of termination of legal relations;

696.4.2. if there is any reason that gives the lessor the right to terminate the legal relationship without waiting for the specified notice periods.

696.5. The notice of the tenant about the intention to appeal the cancellation and continuation of the tenancy relationship must be made in writing. At the request of the lessor, the lessee must immediately inform him of the reasons for the objection.

696.6. If the tenant does not object to the lessor within one month of the end of the tenancy period, one month after receiving the lessor's explanation of the right to appeal, the lessor may refuse to continue the tenancy.

696.7. Agreements that contradict the requirements of Article 696 of this Code are invalid.

Article 697. Consequences of termination of rental legal relations

697.1. The lessee is obliged to return the rented object after the termination of the lease relationship. The lessee of the plot of land does not have the right to keep the plot of land that he has rented. He cannot make his claims against the lessor. If the lessee gives the object to the use of any third party, the lessor may demand the return of the object after the termination of the lease relationship.

697.2. If the lessee does not return the rented item after the termination of the rental relationship, the lessor may demand the specified rental fee for the period of storage of the item as compensation. In the case of legal relations for the rent of rooms, he may instead demand as compensation the amount of rent normally charged for the rent of such rooms in that area. The right to claim compensation for damages is not excluded. However, the lessor of living quarters may demand compensation for damages only if the item is not returned as a result of circumstances for which the lessee is responsible. Damages are paid only to the extent that justice requires in those circumstances. This provision applies if the tenant gives notice of termination.

697.3. The lessor must return the advance rent for any period after the termination of the tenancy relationship.

697.4. Claims of the lessor for compensation for damage resulting from the change or deterioration of the rented object, as well as claims for compensation of expenses or permission to remove equipment of the lessee shall expire after six months. The term of the lessor's claims for compensation for damages starts from the moment he gets the thing back. The term of the tenant's claims starts from the moment of termination of the tenancy relationship. If the lessor loses the right to return the thing to the expiration of the period, his claims for compensation for the damage also become invalid.

Article 698. Lessor's lien right

698.1. The lessor of any land plot or any rooms has the right to pledge the tenant's belongings on that land plot or those rooms on the claims arising from the tenancy law relationship. The right cannot be exercised on future demands for payment of damages and payment of rent for a longer period beyond the current and next year. This right does not apply to items that cannot be pledged.

698.2. Removal of items from the land or premises shall void the lessor's lien, except if the items are removed where the items are removed without notice to the lessor or upon his complaint. If the items were removed within the legal scope of the lessee's enterprise or within the normal living conditions, and the remaining items are clearly sufficient to satisfy the lessor, the lessor cannot complain about the removal of the items.

698.3. The lessor may prevent the removal of the goods subject to his lien without recourse and if the tenant vacates the land or room, he may take possession of those goods. If things are removed without notice to the lessor or upon his complaint, the lessor may demand that they be returned to the land and, if the lessee has vacated the land or room, that they be given possession. If the lessor has previously exercised his right in court, the right of lien is canceled one month after the lessor is notified about the removal of the things.

698.4. The lessee may prevent the lessor from exercising his right of lien by providing security. The lessor may release any separate item from the right of lien by providing security in the amount of its value.

698.5. If any thing subject to the lessor's lien is pledged for another creditor, the rent lien may not be asserted against that creditor for more than one year prior to the seizure.

699.1. When the leased object is transferred to the lessee from the lessor to any third party (acquirer), the acquirer replaces the lessor and has all the rights and duties arising from the lease relationship. If the acquirer fails to fulfill his obligations, the lessor is liable as a guarantor for the damage to be compensated by the acquirer. Such liability exists until six months have passed since the transfer of ownership became known to the lessor.

699.2. When the ownership of the rented item is transferred from the lessor to any third party (acquirer) before it is given to the tenant, if the acquirer undertakes the performance of obligations arising from the rental agreement, Article 699.1 of this Code shall be applied accordingly.

699.3. If the leased object is a living room and after being given to the tenant, it is sold by the lessor to any third party not belonging to the lessor's family, the lessee has a preferential right to purchase it.

699.4. If the leased object is encumbered with the rights or claims of third parties after it is given to the tenant, if as a result of their implementation the tenant is deprived of use in accordance with the contract, Article 699.1 of this Code shall be applied accordingly. If the rights and claims of third parties prevent the use in accordance with the contract, the lessee has the right to demand the prohibition of the realization of these rights and claims.

Chapter 34.

Lease

§ 1. General provisions on the lease

Article 700. Lease agreement

700.1. A lease agreement is a property rental agreement. According to this contract, the lessor (lessor) gives the lessee (lessee) the right to use the leased object or right, as well as the right to receive property and income. The lessee is obliged to pay the specified rent to the lessor.

700.2. The subject of lease can be land plots, buildings, movable objects, rights and enterprises.

700.3. Unless a different rule follows from the provisions of this chapter of this Code, the provisions of this Code on property rent shall be applied accordingly to the lease, except for land lease.

Article 701. Accessories of the leased item

701.1. A leased object (rental object), including a plot of land or an enterprise, is leased with its equipment. If the participants of the contract do not stipulate the provision of the equipment, the estimated value according to Article 701.2 of this Code, the lessor must keep all the equipment. The lessor is obliged to replace the equipment objects that fail as a result of any circumstances which the lessee is not responsible. However, the lessee is obliged to make up for the normal wear and tear of equipment and animals to the extent consistent with the proper management of the farm.

701.2. If the value of the leased equipment is appraised by the parties to the agreement or a third party at the beginning of the lease, and the lessee undertakes to return the equipment at its appraised value after the termination of the lease, the following rules apply:

701.2.2. the lessee can dispose of the equipment objects within the framework of the management of the economy;

701.2.3. the lessee must keep the equipment in a condition suitable for the proper management of the farm and replace it regularly in the appropriate amount. The objects acquired by him become property of the lessor after they are connected to the equipment;

701.2.4. upon termination of the lease, the lessee must return the existing equipment to the lessor. The lessor can refuse to accept equipment objects obtained by the lessee and which are unnecessarily excessively expensive for the leased object according to the rules of proper management of the economy. The ownership of abandoned objects passes to the lessee at the moment of abandonment;

701.2.5. if there is a difference between the total evaluation values of the received equipment and the equipment to be returned, it shall be compensated in money. For appraisal values, the values in effect at the time of termination of the lease shall be taken as the basis.

Article 702. The lessee's lien right

702.1. According to the claim against the lessor relating to the leased equipment, the lessor has the right of lien on the equipment objects that have come into his possession.

702.2. The lessor may prevent the lessee from exercising his lien by providing security. The lessor may release any separate item of equipment from lien by providing security for its value.

Article 703. Limitations on the right to dispose of equipment of the leased item

Contractual clauses obliging the lessee of any land or business not to dispose of the fixtures or to dispose of them with the lessor's consent, or to sell them to the lessor, shall be effective only if the lessor, after the termination of the lease, at the appraised value of the said fixtures undertake to obtain.

Article 704. Termination of the lease agreement

704.1. If the lease term is not specified when concluding a contract for the lease of any land or right or enterprise, termination of the contract is permitted only at the end of the year, provided that at least six months' notice has been given.

704.2. The lessee has no right to cancel the contract in accordance with Article 691 of this Code.

Article 705. Delay in returning the rented item

If the lessee does not return the leased object after the termination of the legal relationship arising from the lease, the lessor can demand the part of the annual rent determined as compensation for the damage of the object's storage, corresponding to the part of the lease benefits that the lessee has obtained during that year. Claims for compensation for other damages are not excluded.

§ 2. Land lease agreement

706.1. According to the land lease agreement, land belonging to all categories of state, municipal and private ownership can be leased.

706.2. Lands can be leased directly or by means of land competitions or auctions with the (consent) of the owners or the bodies represented by them in the manner determined by legislation.

706.3. The land lease agreement may stipulate the size, quality category, designation, lease rent, payment rules, land use, protection and quality improvement conditions, as well as other conditions determined by the land legislation and this Code.

706.4. Articles 700.1, 701, 702 and 703 of this Code, as well as the provisions of this Code apply to land lease agreements.

Article 707. Description of leased land

707.1. Before entering into legal relations under the lease agreement, the lessor and the lessee shall draw up a description of the leased land together. The description shows the size of the land, a plan of the condition at the time of delivery. The description is also drawn up when the legal relations are terminated. The description must be dated and signed by both parties to the contract.

707.2. If one of the parties to the contract refuses to participate in the drawing up of the description or in case of significant disputes during the drawing up, any participant of the contract may request the description be drawn up by an expert, but in cases where more than nine months have passed since the land was leased or more than three months have passed since the termination of the legal relationship, this is an exception. In such cases, an expert can be appointed compulsorily by the court on the decision at the request of one of the parties. Both parties to the contract bear half of the costs incurred in this regard.

Article 708. Responsibility for the condition of the leased land and its use in accordance with its economic purpose

708.1. The lessor shall provide the leased land to the lessee in a condition suitable for use under the contract and shall maintain it in that condition throughout the lease period, provided that this is not imposed on the lessee under Article 708.2 of this Code.

708.2. The lessee is obliged to use the leased land in a proper manner according to its economic purpose. He must carry out the ordinary maintenance of the things on the leased land, including residential and farm buildings, roads, ditches, drainage systems and fences at his own expense.

708.3. The provisions of Articles 676 and 677 of this Code shall be applied according to the liability of the lessor for the defects of the leased land and for the existence of claims and rights of the parties to the land, as well as the rights and duties of the lessee arising as a result of those defects.

Article 709. Charges and taxes

If no separate conditions are stipulated in the lease agreement, the owner of the land must

Article 710. Land rent fee

710.1. Land rent is determined by agreement of the parties.

710.2. The lower limit of the rent of the lands owned by the state and municipalities is determined based on the norms approved by the relevant executive authority, depending on their purpose, geographical location and quality.

710.3. The forms and rules of rent payment are determined by the land lease agreement.

Article 711. Measures to protect or improve leased land

711.1. The lessee must allow necessary measures to be taken for its protection on the leased land.

711.2. The tenant must allow measures to be taken to improve the leased land, provided that such measures do not cause negative consequences for him that cannot be justified even by the reasonable interests of the lessor. The lessor is obliged to compensate the lessee for the costs and lost income from the implementation of these measures in the amount that is reasonable under the circumstances. At the request of the lessee, the lessor must give him an advance. If, as a result of such measures, the lessor obtains a higher income or can obtain it if the economy is properly conducted, the lessor may request that the lessee agree to a reasonable increase in the rent, except in cases where the lessee cannot obtain such an increase due to the state of the enterprise.

Article 712. Use of leased land by third parties

712.1. Without the consent of the lessor, the lessee has no right to:

712.1.1. let the land be used by third parties, including second-hand lease;

712.1.2. transfer the land in whole or in part to any agricultural association for joint use.

712.2. If the lessee sublets the leased land to any third party, he shall be liable for the fault of the third party during the use, even if the lessor has agreed to the sublease.

712.3. The lessee can change the purpose of the leased land only with the prior permission of the lessor. To change the previous type of use of the leased land, obtaining the prior consent of the lessor is required only if this change affects the type of use after the lease term. Building construction by the tenant is allowed only with the prior permission of the lessor. If the lessor refuses to give permission, this permission can be replaced by a court decision at the request of the lessee, provided that this is useful for the preservation of the enterprise's profitability or continuous improvement. This provision also applies if the lease agreement is terminated or the lease relationship is terminated sooner than the agreed term. Permission can be replaced by a court decision on the fulfillment of certain conditions or obligations. For example, the court can issue an order on the provision of security, as well as determine the amount of security. If the reason for providing the guarantee disappears, the court can make a decision on the return of the guarantee at the request of the party.

712.4. If the lessee significantly reduces the equipment received at the appraised value in accordance with Article 701.2 of this Code as a result of changing the type of use of the leased land,

portion to its amount from the funds taken from the sale of objects from the equipment. Ex are the cases where it is used for the implementation of the improvement.

Article 713. Use of leased land that does not comply with the terms of the contract

If the lessee's use of the leased land does not comply with the terms of the contract and, de lessor's warning, he continues to use it, the lessor may claim that the lessee has failed to f contractual obligations, may demand compensation for the resulting damage, and (or) may c contract without waiting for the notice period.

Article 714. Expenses and facilities of the land lessee

714.1. In accordance with Article 680 of this Code, the lessor is obliged to compensate the l necessary expenses.

714.2. Upon termination of the land lease, the lessor must compensate the lessee for other c increase the value of the leased land after the lease term (increase in value). If the lessor refuses to the costs, the consent may be replaced by a court decision at the request of the lessee, provi those costs are useful for the preservation or continuous improvement of the profitability enterprise and are permissible for him, taking into account the substantial interests of the les provision does not apply if the lease agreement is terminated or the legal relationship on land terminated sooner than three years. Consent can be replaced by a court decision on the perform certain obligations. The court can also decide on the increase in value and determine its amo court may determine that the lessor must pay the increase in value in installments. At the same court can determine the conditions for making such payments in installments. If the lessor is u compensate the increase in value even in part at the termination of the lease, the lessee can only that the lease continue under the previous conditions until the increase in value is compensat agreement is not reached, the court, at the request of the party, makes a decision on the continu the lease relationship.

714.3. The lessee has the right to take the equipment he has added to the land. The les prevent the removal of the equipment by paying reasonable compensation, provided that the les not have a reasonable interest in the removal of the equipment. An agreement excluding the right to take is valid only if reasonable compensation is provided.

Article 715. Claim period for land lease agreement

715.1. Claims of the lessor for compensation as a result of changes or deterioration of th land, as well as claims of the lessee for reimbursement of costs or removal of the facility in ac with Article 714 of this Code, expire after six months, due to the expiration of the period.

715.2. The term of the lessor's claims for compensation starts from the moment the land back. The term of the tenant's claims starts from the moment of termination of the legal rel lease.

715.3. If the right of return is canceled due to the expiration of the term, the lessor is also c

Article 716. Lessor's lien right

The lessor has the right to lien on the lessee's things built on the leased land, as well as the things on the leased object, according to the requirements arising from the legal relations under the lease agreement. The right of lien does not apply to things that are necessary for the lessee and his family for means of subsistence until the next harvest, as well as things that are necessary for the normal use of the rented thing in accordance with its economic purpose. In this case, the instructions of Article 699 of the Code should be applied. [\[465\]](#)

Article 717. Agreement on land lease

717.1. If the conditions used to determine the contractual obligations change after the conclusion of the contract to the extent that causes a great disproportion between the mutual obligations, any party to the contract may request to change the contract conditions, except for the lease period. If the value of the leased object increases or decreases as a result of the operation of the farm by the lessee, a change of the rent cannot be requested, unless a separate condition has been set.

717.2. Changes to the terms of the contract may not be requested until two years have passed from the commencement of the lease or the entry into force of the last change to the contractual obligations. This provision does not apply if catastrophic natural disasters, which are not normally covered by insurance, fundamentally change the ratio of contractual obligations.

717.3. Change of the contract terms cannot be requested earlier than the lease year in which the change of notice is given.

717.4. If one of the participants does not agree to change the terms of the contract, any party to the contract can file a lawsuit to replace this agreement with a court decision.

717.5. The right to request changes to the terms of the contract in accordance with this article may be excluded. If one of the contract participants exercises or does not exercise their rights under this article, the agreement that provides for the creation of special negative consequences or advantages for him shall not be valid.

Article 718. Expropriation and encumbrance of leased land

Article 699 of this Code shall be applied when the leased land is sold or encumbered with a mortgage or claims of third parties.

Article 719. Termination of the land lease agreement and extension of its validity. Termination of the contract

719.1. Legal relations under the land lease contract are terminated when the contract period expires.

719.2. When a land lease contract is concluded for a period of at least three years, the legal relations under this contract are extended for an indefinite period if one of the participants does not request the termination of those relations within three months after making a request. Requests and waivers for the continuation of those relations within three months after making a request. Requests and waivers for the termination of those relations within three months after making a request.

719.3. If the lease term is not specified, any party to the contract may terminate the contract no later than the third business day of any year of the lease. Also, the cancellation takes effect at the end of the next year of the lease. In case of doubt, the lease year is considered the calendar year. The agreement for determining a shorter period must be concluded in writing. In cases where the lease agreement is terminated prematurely by waiting for the notice periods defined by law, the termination is only at the end of the lease year; notice of termination must be given no later than the third business day of the lease half-year in which the lease is to be terminated.

719.4. If the lease agreement is concluded for a period of more than 30 years, any party to the agreement may give a notice of termination of the agreement after 30 years no later than the third business day of any year of the lease, effective for the end of the next year of the lease. If the contract is concluded for the life of the lessor or the lessee, cancellation is not allowed.

719.5. In the case of the lessee's incapacity, if the lessor does not agree to sublease the leased item to any third party in order to ensure proper use of the leased item in accordance with the economic purpose, the lessee may terminate the legal relationship by waiting for the notice periods. An agreement contrary to this rule is void.

719.6. In the case of the death of the lessee, his heirs, as well as the lessor, have the right to demand notice of termination of the lessor agreement six months in advance, taking effect at the end of the quarter of the calendar year. The heirs may appeal the termination of the contract by the lessor and demand the continuation of the legal relationship under the contract only if they or other co-heirs or a third party to whom they have entrusted it ensure the proper use of the object in accordance with its economic purpose. If the heirs do not file a complaint at least three months before the end of the lease term and do not provide information about the circumstances that make it possible to assume that the leased object will be properly used in accordance with its economic purpose, the lessor may terminate the legal relations under the contract. Notice and information about objection must be given in written form. If no agreement is reached, the court adopts the decision based on the petition.

719.7. In the cases provided for in Articles 677.1.4, 685.1 and 686 of this Code, it is allowed to terminate the contract without waiting for the notice period. The lessor may terminate the contract immediately if the lessee is late in paying the rent or a significant part of it for more than three months. If the lessee is charged for a period of less than one year, termination of the contract is allowed only if the lessee does not pay the rent or a significant part of it for two consecutive periods. If the lessor is satisfied by the payment during the period, termination of the contract is excluded. If the tenant frees himself from the debt by paying the debt within the framework of mutual compensation and informs about it immediately after the cancellation, the cancellation is not valid.

719.8. Notice of cancellation must be made in writing.

Article 720. Continuation of legal relations under the land lease agreement

720.1. The lessee may demand from the lessor the continuation of legal relations under the lease agreement in the following cases:

720.1.1. if the enterprise is leased, this enterprise constitutes the economic basis of the lessee's existence;

720.1.2. if the land plot is leased, the lessee cannot maintain his enterprise, which is the economic basis of his existence;

the negative consequences for the lessee or his family, which cannot be justified even by the interests of the lessor.

720.2. In the cases provided for in Article 720.1 of this Code, the lessee may request that the contract be extended for a period that is reasonable, taking into account all the circumstances. If the lessor cannot agree to the continuation of the legal relationship under the contract under the same terms, the lessee can only request that the legal relationship be continued under reasonably different terms. Such continuation may be requested multiple times.

720.3. The tenant cannot demand the continuation of legal relations under the land lease agreement in the following cases:

720.3.1. when he/she gives a notice of termination of the contract;

720.3.2. if the lessor has a right of immediate termination;

720.3.3. when the lease of the enterprise, the lease of additional plots of land helping to establish the enterprise, or the lease of wetlands and raw land cultivated by the lessee is concluded for a period of at least 18 years, and the contract for the lease of other land plots is concluded for a period of at least 10 years;

720.3.4. when the lessor intends to re-use the temporarily leased land for his own use or to fulfill the fulfillment of statutory or other state duties.

720.4. The tenant's notice requesting the continuation of legal relations under the land lease agreement must be made in writing. At the request of the lessor, the lessee must immediately vacate him of the grounds for the request to continue legal relations under the contract.

720.5. The lessor may refuse to continue legal relations under the contract if the lessee does not request the continuation of legal relations at least one year before their termination or re-termination. If the notice period for termination is set at 12 months or less, it is sufficient to make a request to continue legal relations in response to the lessor's request in accordance with Article 719.2 of this Code. If the notice period for termination is set at 12 months or less, it is sufficient to make a request to continue legal relations within one month of receiving the notice of termination.

720.6. If an agreement is not reached, based on the claim, the court makes a decision on the continuation of legal relations under the contract, the lease term and the conditions for the continuation of these relations. However, the court may make a decision on the continuation of the legal relations under the contract until the date specified in Article 720.3.3 of this Code, calculated from the beginning of the current legal relations. Continuation of legal relations under the contract may be limited to a part of the leased land.

720.7. The tenant must file an application with the court no later than nine months prior to the termination of the legal relationship under the contract and (if the notice period for termination is 12 months or less) two months after the notice of termination is received by the court. If it is considered reasonable to avoid adverse consequences, and if the validity period of the land lease agreement has not yet expired, the court may allow the application to be entered later.

720.8. In accordance with Article 720 of this Code, the right to demand the continuation of legal relations under the contract can be excluded only if an application is submitted to the court to withdraw the demand in order to end the dispute regarding the legal relations of lease. An agreement that restricts the right to demand the continuation of legal relations for one of the contracting parties as a condition for special negative consequences or advantages for one of the contracting parties as a condition for exercising or not exercising their rights shall not be valid.

721.1. If the participants of the land lease agreement have the right to terminate the la agreement ahead of time, they have this right even after the term of the legal relationship u agreement has been extended or the agreement has been changed.

721.2. On the claim of one of the contract participants, the court may make a decision procedure for settling the land lease contract that has been prematurely or partially terminate land lease agreement is extended only for any part of the leased land, the court can determine for that part.

Article 722. Return of leased land

722.1. After the termination of the legal relationship under the contract, the lessee is of return the leased land in the condition it should have been in at the time of return after proper u intended purpose. The lessee does not have the right to retain the land based on his claims ag lessor. If the lessee has given the leased land to any third party, after the termination of t relationship under the land lease agreement, the lessor may demand the return of the land f third party.

722.2. If the legal relationship under the land lease contract is terminated during any ye lease, the lessor must pay the lessee the value of the springs that have not yet arisen, but can be by the end of the lease year according to the rules of proper management of the farm. In this risk associated with the product should be reasonably considered. If it is not possible to deter value of the springs due to seasonal reasons, the lessor shall compensate the lessee for the costs springs to the extent consistent with the rules of proper management of the farm. This rule also to trees intended for felling, but not yet felled. If the lessee has cut more trees than allowed by of proper use, he must pay the lessor the value of the trees he has already cut. Filing a c compensation for other damages is not excluded.

722.3. from the remaining agricultural products after the termination of the legal relation lessee must give the amount of products necessary for the continuation of farming until the next even if he did not receive such products when entering into that legal relationship. If, in connect this, the lessee has to produce a product in greater quantity or of a better quality than what he at the time of the leased land, he may require the lessor to pay the cost.

722.4. If the lessee does not return the leased land after the termination of the legal rela under the contract, the lessor may demand rent for the storage period as compensation. Cl compensation for other damages are not excluded.

Chapter 35.

Franchising

Article 723. Franchise agreement

A franchise agreement is a long-term commitment relationship in which independent bu mutually agree to help produce, sell, and provide services by performing specific oblig

Article 724. Duties of the franchisor

724.1. The franchisor is obliged to provide the franchisee with standard forms of intellectual property rights, trademarks, product samples, containers, the concept of product production, acquisition, sale and organization of activities, as well as other information necessary for sales activities in the manner applied by the franchisor.

724.2. The franchisor is obliged to protect the joint operation system from interference by third parties, to continuously improve it and to support the franchisee by familiarizing the franchisee with business habits, providing information and improving his qualifications.

Article 725. Duties of the franchisee

725.1. The franchisee must pay a fee calculated taking into account the effort he has put into the franchising implementation system and act as an honest entrepreneur, accept services and acquire goods through the franchisor or persons designated by him in cases directly related to the purpose of the contract.

725.2. If the franchisee paid an entry fee at the time of concluding the contract and this fee is included in the franchisee's account, then the franchisor is obliged to return this fee to the franchisee upon termination of the contract.

Article 726. Duty not to disclose trusted information

When concluding a franchise agreement, the parties must clearly and fully acquaint each other with the circumstances related to franchising, especially the franchising system, and provide each other with honest information. They are obliged not to disclose the trusted information even if the contract is concluded.

Article 727. Form of franchise agreement

The franchise agreement must be concluded in writing. In the text of the contract, the franchisor should fully describe the franchising system, in addition to clearly indicating the bilateral obligations, the term of the contract, the terms of cancellation or extension of the term and other important conditions of the contract.

Article 728. Duration of franchise agreement

728.1. The duration of the franchise agreement is determined by the parties taking into account the demand for the sale of those goods and services.

728.2. If the term of the contract exceeds ten years, either party has the right to terminate the contract by waiting for the one-year period necessary for termination. If neither party uses this right to terminate the contract, the contract is extended for a period of two years. When the contract is terminated as a result of the expiry of the term or at the initiative of the parties, the parties shall

Article 729. Loyal competition

729.1. The parties are obliged to compete fairly with each other even after the end of the contract relationship. In this regard, the franchisee may be prohibited from competing within the limited territory for a maximum period of one year.

729.2. If the prohibition to compete may endanger the franchisee's professional activity, he shall be provided with appropriate financial compensation despite the expiration of the contract.

Article 730. Liability of the franchisor

The franchisor is responsible for the rights and information provided by the franchising system. If the franchisor culpably breaches its contractual obligations, the franchisee may request compensation. The amount of reduction should be determined definitively based on the opinion of an independent expert. The costs in this regard shall be borne by the parties.

Article 731. Provisions applied to franchise legal relations

731.1. If the subject of the franchise agreement is the granting of rights to use intellectual property, the provisions of the legislation on copyright and related rights, as well as on patent law, are applied to it.

731.2. If the franchisee is permanently engaged in distributing the goods of the franchisor enterprise related to the franchisor, the provisions of this Code on commercial representation and concession agreement shall be applied.

731.3. If the participants of the franchise agreement undertake other obligations (in the form of purchase and sale, property rental, contract and provision of services), the provisions of this Code on those types of contracts shall be applied to the legal relations of the participants.

Chapter 36.

Use without substitution

Article 732. Contract of use without replacement

According to the contract of free use, the lessor undertakes to make any thing available to the lessee, and the lessee undertakes to return the object to the lessor, and the participants must fulfil their obligations free of charge.

Article 733. The responsibility of the person who rents the thing that is used without compensation

733.1. The lessor is liable to the lessee only for acts or defects committed due to intent

The lessor's rights to compensation for damage caused by the change or deterioration of the property provided for free use, as well as the rights to compensation for the necessary expenses incurred by the lessee, expire after six months, due to the expiration of the period.

Chapter 37. [\[466\]](#)

Debt

§ 1. Debt contract

Article 739. Concept and form of debt contract

739.1. According to the loan agreement, one party (the lender) undertakes to transfer ownership of other exchangeable items to the other party (the borrower), and the borrower undertakes to return to the lender the same amount of money or the same type of items of the same quality and quantity.

739.2. If the amount of the subject of the loan agreement exceeds three thousand manats, or if one of the participants of the agreement is a legal entity, regardless of the amount, the loan agreement must be concluded in writing.

739.3. The day on which the borrower or the third party indicated by him has the right to dispose of the subject of the loan agreement is considered the day on which the loan was issued. If the subject of the agreement is money and if it is given in non-cash manner, the day of the loan is considered the day when the amount is credited to the account of the borrower or the third party indicated by the credit organization or the person. If the accounts of the lender and the borrower (or the third person indicated by him) are in the same organization, the day when the loan funds are deposited into the account of the borrower or the person indicated by him is considered the day of the loan.

739.4. The lender cannot lend for the purpose of buying a share (share) in its authorized capital (share) in its authorized capital cannot act as a guarantee for the performance of a debt obligation to the creditor.

Article 740. Interest on the loan agreement

740.1. Unless otherwise stipulated in the law or the contract, the lender has the right to receive interest from the borrower in the manner and amount specified in the contract.

740.2. Unless otherwise stipulated in this Code, the amount of interest and (or) other fees due to the lender from the borrower of the debt or the procedure for calculation shall be determined by the agreement of the parties.

740.3. If interest is provided for the use of debt and the corresponding amount is not specified in the contract, that amount is calculated according to Article 439.3 of this Code.

740.4. Interests, including late interest and other fees, are calculated only on the amount of the outstanding principal balance until the date of repayment.

740.5. Unless otherwise specified in the contract, the interest and (or) fees on the loan agreement shall be paid at the end of each year of the agreement, and if the debt must be repaid before the end of one year, then the interest and (or) fees shall be paid at the end of the period.

tual days of the loan (including the day of the loan and excluding the day of repayment).

740.7. It is not permissible to consider any payment received by the lender from the borrower under the agreement as a payment received on one of the following days of the loan.

740.8. Interest and (or) other fees under the loan agreement are paid within the terms specified by the agreement.

740.9. The provisions of this paragraph of this Code on the payment of interest and (or) fees are applied if the law or the debt agreement provides for the payment of interest and (or) fees.

740.10. For the purpose of obtaining income, lending of money to unlimited subjects can be carried out by a person who has the right to carry out lending activities in accordance with normative legal acts.

Article 741. Unilateral cancellation of the obligation to give and receive debt

741.1. Unless otherwise specified in this Code, if it is clear that the debt will not be repaid on time due to significant deterioration of the borrower's property condition or due to the borrower's giving an incorrect information to the lender, or if the borrower does not fulfill his obligations stipulated in the loan agreement, including if he does not provide security, the lender can unilaterally refuse to fully or partially fulfill the obligation to lend.

741.2. The borrower can unilaterally refuse to receive the loan in whole or in part until the subject of the loan agreement is given to him.

Article 742. Debt repayment

742.1. The borrower must return the debt (as well as interest and (or) fees) to the lender within the period and in the manner stipulated in the loan agreement (taking into account Article 740 of this Code). The loan is considered returned on the day it is given to the creditor or a third party indicated by the lender, unless otherwise stipulated in the contract. If the subject of the loan agreement is money and it is returned in cash, the day of repayment of the debt is considered to be the day when the loan amount is credited to the account of the creditor or the third party indicated by the creditor or other person. If the accounts of the lender, the borrower or the third person indicated by him are in the same organization, the day when the loan is transferred to the account of the lender or the person indicated by him is considered the day of repayment of the debt.

742.2. If the loan agreement does not specify the period for repayment of the loan, the lender can demand repayment of the loan at any time. The borrower, who received the creditor's demand for execution, must repay the debt within one month, as well as pay interest and (or) fees, provided that a longer period is not provided in the agreement of the parties.

742.3. Unless otherwise stipulated in this Code, the borrower may repay the debt early by paying the debt and (or) fees calculated from the day of the loan to the day of its repayment.

742.4. The period specified in Article 742.2 of this Code is calculated from the time of receiving the demand.

742.5. If the law or the loan agreement does not provide a different rule in favor of the borrower, the lender may demand the early repayment of the debt granted for a certain period (including the interest and (or) payments due to the lender until the day when the debt is demanded early) in the following cases:

742.5.1. if there are grounds to assume that the debt will not be repaid on time due to a s

clusion of the contract and was not eliminated until the conclusion of the contract was later known (to the lender) or due to the borrower providing any false information to the lender;

742.5.2. overdue debt (including interest and (or) fees) for a period of 90 (ninety) days or longer two consecutive violations of the payment terms of the debt (including interest and (or) fees) (not less than 90 (ninety) days);

742.5.3. if the borrower fails to fulfill his duty to ensure the execution of the debt obligation, if the security is lost (destruction, termination, etc.) due to circumstances for which the lender is not responsible, or if the security decreases (including if the property condition of the guarantor or guarantor significantly deteriorates in these cases, the debt is due on time when there are grounds to assume that it will not be returned;

742.5.4. if the purpose of the debt is specified in the loan agreement, the borrower does not allow the lender to control the use of the debt according to the purpose specified in the contract, or if it is not used according to the purpose of the debt.

§ 2. Loan agreement

Article 743. Definition of credit agreement

743.1. According to the loan agreement, the lender undertakes to give ownership rights to the funds received by the borrower in the amount and under the conditions specified in the agreement, and the borrower undertakes to return the received funds to the lender for the period specified in the agreement, subject to the payment of interest and (or) other payments specified in the agreement. A creditor under a credit agreement can only be a legal entity. The lender has the right to provide loans in accordance with normative legal acts.

743.2. Unless a different rule follows from the provisions of this paragraph of this Code, the provisions of this Code on debt agreements shall be applied to the loan agreement accordingly.

743.3. Borrowing on behalf of the Republic of Azerbaijan, as well as at the expense of funds of state institutions and the Central Bank of the Republic of Azerbaijan, as well as granting loans by pawnshops, shall be carried out in accordance with relevant legal acts. Issues related to the granting of loans that are not regulated by those legal acts are regulated in accordance with this Code.

Article 744. Procedure and content of credit agreement conclusion

744.1. The loan agreement is concluded between the parties in written form and a copy of the loan agreement is given to the borrower.

744.2. The loan agreement must specify at least the following:

744.2.1. name and address of the lender;

744.2.2. name and address of the borrower;

744.2.3. loan amount and currency;

744.2.4. loan repayment period and payment terms;

744.2.5. credit assignment;

744.2.6. the annual rate of interest applied on the loan and (or) the amount of other payments, as well as the actual annual interest rate (if the contract stipulates a variable interest rate, the initial actual annual interest rate);

744.2.7. when applicable, clear and accurate information about the loan interest-free period

Article 745. Features of the loan agreement

745.1. Article 742.5.3 of this Code is applied to cases of loss or decrease in the value of the guarant performance of the credit obligation only on the condition that the borrower has not replaced the gua provided additional guarantee within the period specified in the credit agreement.

745.2. If the borrower's obligation under the credit agreement is paid ahead of time, the creditor ma compensation for damages in accordance with this Code only if it is provided for in the credit agreement.

745.3. Article 740.7 of this Code is applied to relations arising from credit agreements under the that the payment is made by the end of the transaction day (the time determined by the creditor for payments). If the creditor has not specified a shorter period in the loan agreement, the payment made th payment terminal or by another method after the end of the transaction day is considered to be made no i the next business day.

745.4. The claim period for the creditor's claims arising from the credit agreement is one year.

745.5. Unless otherwise specified in the loan agreement (except for the determination of a higher interest due to the delay in loan payments (delay interest) shall be the annual interest rate specified in agreement, determined by the Central Bank of the Republic of Azerbaijan for the day of execution of the obligation or its relevant part. is calculated by adding the discount rate. When interest on late payment within the limits specified in this article, no additional payment (fine, fine) or any other form of payme requested.

745.6. If the damage caused to the lender due to the delay in payments on the loan is greater than th of interest due to him according to Article 745.5 of this Code, the lender may demand from the borrower the damage in the part that exceeds that amount in a court order or by reaching a separate agreement borrower after the date of the damage.

§ 3. Consumer credit agreement

Article 746. Definition of consumer credit agreement

746.1. According to the consumer credit agreement, the lender is obliged to lend money to the borr is an individual (hereinafter - the consumer) for purposes not related to entrepreneurial or professional and the consumer is obliged to pay the interest and (or) other payments specified in the agreement. und return in order and time.

746.2. The provisions of this paragraph of this Code do not apply to the following contracts:

746.2.1. loan agreements related to the acquisition of rights to real estate or secured by mortga estate;

746.2.2. to contracts whose amount at the time of conclusion of the loan agreement is lower minimum monthly salary amount determined for the country or more than 300 (three hundred) tim amount;

746.2.3. crediting the bank account for up to 90 (ninety) days;

746.2.4. to agreements on loans granted by credit unions to their members;

746.2.5. in accordance with Article 743.1 of this Code, the creditor providing loans to its employees;

746.2.7. credit agreements concluded based on a settlement agreement concluded through court or n
746.2.8. restructuring agreements, which provide for the payment of the loan debt and other paym
new term and are determined without interest;

746.2.9. to credit agreements where the performance of the obligation is secured by an item plac
creditor's possession and the consumer's liability is limited to that item only.

746.3. Unless a different rule follows from the provisions of this paragraph of this Code, the provisic
Code on debt agreements and credit agreements shall be applied accordingly to the consumer credit agreen

Article 746-1. Initial information on the consumer loan agreement

746-1.1. Before concluding a consumer credit agreement, the creditor must provide the consu
information on the following on paper or other durable medium (any means that allows the informat
stored for a period of time suitable for its purpose and where the stored information can be reproduce
changes):

746-1.1.1. type of loan;

746-1.1.2. name and address of the lender;

746-1.1.3. loan amount and currency;

746-1.1.4. loan repayment period and payment terms;

746-1.1.5. if the loan is given through a related credit agreement in connection with the purchase of
good or service, that good or service and its cash price (if a one-time payment is made during the purch
good or service);

746-1.1.6. the annual interest rate applied on the loan and (or) the amount of other payments and
of their application, as well as the actual annual interest rate;

746-1.1.7. if applied, clear and accurate information about the period of time when interest is not cl
the loan;

746-1.1.8. the amount, number and periodicity of payments to be made by the consumer, as w
sequence of deletion of insufficient or excessive payments from the performance of the obligation;

746-1.1.9. if applicable (except for cases where account opening is not necessary), costs of maintaini
more accounts registering payment and cashing operations, including costs of using means of pay
payment and cashing operations, other costs arising from the credit agreement and conditions for chang
costs ;

746-1.1.10. if applied, the existence of notarial costs to be paid by the consumer in connection
conclusion of the credit agreement;

746-1.1.11. in cases where the conclusion of an additional service agreement, including an i
agreement, is mandatory for obtaining a loan, the consumer's duty to conclude such an agreement in c
with the consumer credit agreement;

746-1.1.12. legal consequences of the consumer's failure to make payments on time;

746-1.1.13. if applicable, penalty charge due when applied to late payments;

746-1.1.14. collaterals required for granting the loan, if applicable;

746-1.1.15. the consumer's right to withdraw from the consumer credit agreement, the period and c
under which such right is exercised;

746-1.1.16. the right of the consumer to pay off the consumer loan ahead of time and, if applicable

746-1.1.17. when applied, the circumstances in which the creditor can demand early repayment of the loan as specified in Article 742.5 of this Code;

746-1.1.18. the right of the consumer to receive information about it free of charge if the credit is provided to the consumer based on the information received from the credit bureaus for the purpose of assessing the creditworthiness of the consumer;

746-1.1.19. the right to receive a copy of the contract draft from the creditor free of charge based on the consumer's request;

746-1.1.20. the validity period of the information provided by the lender.

746-1.2. The information specified in Article 746-1.1 of this Code is reflected in the standard notification form. The standard notification form is approved by the Central Bank of the Republic of Azerbaijan.

746-1.3. Other information related to the loan may be included in the standard disclosure form by the lender.

746-1.4. The information provided by the lender must be expressed in a clear and understandable manner.

746-1.5. When a voice communication tool (telephone call, video call, etc.) is used as a communication for concluding a long-distance consumer credit agreement, the creditor provides only the information to the consumer at the beginning of the call:

746-1.5.1. the name of the lender and the purpose of the loan;

746-1.5.2. name, surname and relationship with the creditor of the person contacting the consumer;

746-1.5.3. that the offered service is a consumer credit;

746-1.5.4. the amount of the proposed consumer loan, the annual rate of interest paid on the loan and the actual annual interest rate;

746-1.5.5. note that there may be additional costs to be borne by the consumer in connection with the proposed consumer credit;

746-1.5.6. the consumer's right to withdraw from the consumer credit agreement, the period and conditions under which such right is exercised;

746-1.5.7. the validity period of the information provided by the lender.

746-1.6. When Article 746-1.5 of this Code is applied, the creditor informs the consumer about the procedure of providing other information specified in that article based on the consumer's request in accordance with the procedure provided for in Article 746-1.1 of this Code and ensures that such information is provided based on the consumer's request.

746-1.7. If the consumer applies to the creditor using the right specified in Article 746-1.1.18 of this Code, the creditor must provide the relevant information to the consumer in writing no later than the next working day.

Article 746-2. The procedure and content of the conclusion of the consumer loan agreement

746-2.1. The consumer loan agreement is drawn up in written form on paper or other durable carrier.

746-2.2. The consumer loan agreement clearly and precisely states the following:

746-2.2.1. type of loan;

746-2.2.2. name and address of the parties;

746-2.2.3. loan amount and currency;

746-2.2.4. loan repayment period and payment terms;

746-2.2.5. if the loan is given through a related credit agreement in connection with the purchase of a good or service, that good or service and its cash price (if a one-time payment is made during the purchase).

746-2.2.6. the annual rate of interest and (or) the amount of other payments applied on the loan terms of their application, as well as the actual annual interest rate and all payments included in its calculation;

746-2.2.7. if applied, clear and accurate information about the period of time when interest is not charged on the loan;

746-2.2.8. the amount, number and periodicity of payments to be made by the consumer, as well as the sequence of deletion of insufficient or excessive payments from the performance of the obligation;

746-2.2.9. if applicable (except for cases where account opening is not necessary), costs of maintaining more accounts registering payment and cashing operations, including costs of using means of payment and cashing operations, other costs arising from the credit agreement and conditions for changing costs ;

746-2.2.10. if applicable, notarial costs to be paid by the consumer in connection with the conclusion of credit agreement;

746-2.2.11. legal consequences of the consumer's failure to make payments on time;

746-2.2.12. if applicable, penalty (late interest) payable when applicable to late payments;

746-2.2.13. if applicable, information on conditions and insurance requirements for guaranteeing performance of the loan obligation;

746-2.2.14. the consumer's right to withdraw from the consumer credit agreement, the period and conditions under which such right is exercised;

746-2.2.15. the right of the consumer to pay off the consumer loan ahead of time and, if applicable, of compensation of the creditor, the amount of compensation and the procedure for determining it;

746-2.2.16. when applied, the circumstances in which the creditor can demand early repayment of the loan specified in Article 742.5 of this Code;

746-2.2.17. during the contract term, the consumer has the right to receive a statement of the loan in the form of a loan payment schedule free of charge twice during the calendar year in a paper carrier (unless a favorable case is provided in the contract), and at any time in another continuous carrier (payments made in the payment schedule, such terms of payments, the structure of payments, including interest calculation, the annual interest rate and other applicable additional costs are indicated);

746-2.2.18. whether or not it is possible to consider disputes out of court, and if so, its procedure;

746-2.2.19. other contractual terms, if applicable;

746-2.2.20. Name and address of the Central Bank.

746-2.3. Applying a variable interest rate and stipulating the possibility of increasing interest rate in payments under the consumer loan agreement is not allowed.

746-2.4. In cases of bank account crediting, the lender periodically informs the consumer about the account balance through a statement on paper or other durable medium:

746-2.4.1. the period to which the account statement refers;

746-2.4.2. dates and amounts of crediting;

746-2.4.3. the balance on the previous statement and its date;

746-2.4.4. new balance as of the current statement date;

746-2.4.5. amounts and dates of payments made by the consumer;

746-2.4.6. interest rate on the contract;

746-2.4.7. any applicable costs and other fees;

746-2.4.8. where applicable, the minimum amount payable

the consumer in accordance with Article 406.3 of this Code.

746-2.6. Other requirements for the conclusion of a consumer credit agreement at a distance are determined by the Central Bank of the Republic of Azerbaijan.

Article 746-3. The consumer's right to withdraw from the consumer credit agreement

746-3.1. The consumer may refuse the consumer credit agreement without giving any reason within (thirty) days from the day of the payment of funds under the consumer credit agreement. In this case, the consumer must pay the money given under the contract and the interest calculated from the day of giving the money until the day it is returned. With the exception of the amount of state duty and service fees paid by the consumer, compensation and any other payments from the consumer are not allowed.

746-3.2. When the consumer exercises his right provided for in Article 746-3.1 of this Code, all service contracts concluded with the creditor or a third party providing services based on the contract and all contracts with the creditor in connection with the consumer credit contract are terminated, and the consumer does not have any obligations under those contracts.

Article 746-4. Premature execution of the consumer loan agreement

746-4.1. The consumer can return the consumer credit to the lender in whole or in part at any time with written notice. In this case, interest and (or) other fees calculated for the remaining term of the loan are repaid in proportion to the amount paid ahead of time.

746-4.2. The creditor may demand from the consumer the amount of compensation determined by the contract, taking into account the requirements of Article 746-4 of this Code, in order to compensate for the damage caused in accordance with this Code during the premature execution of the consumer credit agreement.

746-4.3. The amount of compensation specified in Article 746-4.2 of this Code should not exceed 10 percent of the prematurely paid amount for consumer credit if there is more than one year left before the end of the contract period, and 0.5 percent if there is a year or less left.

746-4.4. The compensation amount cannot be claimed in the following cases:

746-4.4.1. when the premature payment is made on the basis of the insurance contract concluded under the consumer credit contract;

746-4.4.2. in case of bank account crediting.

746-4.5. If the amount prematurely paid by the consumer for the consumer loan during the last 12 months is more than forty times the amount of the minimum wage determined by the country, the creditor must prove the damage caused to him during such payments in a court order or by reaching a separate agreement with the consumer after the date of the damage. The consumer may request higher compensation (proportional to the damage), but not exceeding the compensation amounts specified in Article 746-4.3 of this Code. In this case, the damage caused to the consumer consists of the difference between the interest rate stipulated in the credit agreement of the returned loan and the interest rate of the same purpose loan given by the creditor at the time of early repayment.

746-4.6. In any case, the amount of compensation may not exceed the amount of interest calculated on the basis of the annual interest rate to be paid in the period between the moment of premature payment of the consumer loan and the moment of the expiration of the contract.

746-5.1. Any payment by the consumer to the creditor under the consumer credit agreement (except cases provided for in Articles 746-3 and 746-4 of this Code), as well as for the creditor's provision of information for the consumer (taking into account the requirements of Article 746-2.2.17 of this Code by receiving) cannot be received.

746-5.2. If interest (delay interest) is stipulated in the consumer loan agreement, the amount of such interest cannot exceed the amount calculated by adding five percentage points to the annual interest rate stipulated in the consumer loan agreement. In this case, additional dabba money (fine, fine), commission or any other payment cannot be requested. The calculation of late interest cannot last more than 180 days. If the late interest is greater than the amount of late interest, the creditor may require the consumer to pay for the excess of that amount.

746-5.3. Article 742.5.3 of this Code shall be applied to cases of loss or reduction of the value of the goods for the performance of the consumer credit obligation only under the condition that the consumer has not provided the guarantee or provided additional guarantee within two months after the request was made by the creditor.

746-5.4. All contradictions and ambiguities of the consumer credit agreement must be interpreted in favor of the consumer.

746-5.5. Any costs and other payments not specified in the consumer credit agreement cannot be demanded from the consumer.

746-5.6. The provision of the credit agreement that the creditor can unilaterally change any condition of the consumer credit agreement is invalid. This requirement does not apply to cases that improve the consumer's situation, including alleviating the debt burden.

Article 746-6. Related credit agreement

746-6.1. A consumer credit agreement concluded for the financing of a contract for the purchase of certain goods or the provision of services and having an economic relationship with that contract is considered a related credit contract. An economic relationship is conditioned by the existence of one of the following circumstances:

746-6.1.1. in connection with the preparation and conclusion of the loan agreement, the lender provides services of the seller (service provider);

746-6.1.2. the purchase and sale of certain goods (rendering of services) is clearly indicated in the consumer credit agreement.

746-6.2. If the goods covered by the related credit agreement are not provided to the consumer (services are not provided), partially provided (services are partially provided), or are not in accordance with the (service) contract, the consumer has the right to suspend the performance of obligations arising from the consumer credit agreement and demand the repayment of payments from the lender.

746-6.3. The consumer can exercise his rights specified in Article 746-6.2 of this Code only in the following cases:

746-6.3.1. the consumer applied to the seller (service provider) to fulfill the conditions of the purchase (service) contract, and the conditions of the relevant purchase and sale (service) contract were not fulfilled within one month after the date of this application;

746-6.3.2. if the purchase contract is canceled due to the lack of the required quality of the goods, and the consumer appealed to the creditor about the lack of the required quality of the goods;

e canceled purchase (service) contract.

746-6.4. *When the consumer appeals to the creditor regarding the occurrence of the circumstances in Article 746-6.3 of this Code, the creditor returns the payments to the consumer within 10 (ten) working days and obtains the right to demand the payments and other costs returned to the consumer from the seller (provider).*

746-6.5. *Provisions on the provision of services in Article 746-6 of this Code also apply to relations arising from the performance of works.*

Chapter 38.

Leasing

Article 747. Leasing contract

747.1. According to the lease agreement, the lessor is obliged to provide the lessee with the leased item for the use of the lessee at a certain fee stipulated by the agreement, for a certain period and under other conditions (including giving the lessee the right to purchase the property). The lessee is obliged to pay wages at specified intervals. [\[467\] KMQ11](#)

747.2. The lessor is obliged to prepare or acquire the property specified in the contract.

747.3. According to the lease agreement, the lessee may be entrusted with the task of acquiring the leased object after the end of the lease term, or may be given such a right, provided the agreement does not end with full depreciation of its object. The fact of depreciation should be taken into account in all cases when calculating the fixed value. If there is no relevant provision in the contract, the lessee has the right to acquire the leased object.

Article 747-1. Subjects of the leasing contract [\[468\]](#)

747-1.1. The subjects of the leasing contract are the lessor, the lessee and the seller (provider).

747-1.2. According to the leasing contract, the lessor grants the object acquired and owned by the lessor as a leasing object to the lessee for a certain fee, for a certain period and under certain conditions (including the condition of the transfer of the ownership right to the lessee or not) or the operator of the object, a legal or natural person.

747-1.3. A lessee is a legal or physical person who, in accordance with the lease agreement, acquires the leased object for temporary possession and use for a certain fee, for a certain period and under certain conditions. [KMQ11](#)

747-1.4. The seller (lessor) is a legal or physical person who sells the leased object to the lessee under the purchase and sale agreement.

747-1.5. Any resident or non-resident of the Republic of Azerbaijan can be the subject of a leasing contract in the manner and under the circumstances specified by this Code.

The object of the lease is movable or immovable property belonging to the fixed assets according to the classification determined by the legislation, with the exception of items excluded from free circulation or restricted civil circulation according to the laws of the Republic of Azerbaijan.

Article 747-3. Forms of leasing [\[470\]](#)

747-3.1. The main forms of leasing regulated by this Code include domestic and international leasing.

747-3.2. When domestic leasing is carried out, the lessor and the lessee are residents of the Republic of Azerbaijan.

747-3.3. When international leasing is carried out, the lessor or the lessee (or both of them) are residents of the Republic of Azerbaijan.

Article 747-4. Subleasing [\[471\]](#)

747-4.1. Subleasing is formalized with a sublease agreement.

747-4.2. During sub-leasing, the object of the lease agreement previously purchased from the lessor under the lease agreement is transferred to third parties (the lessee under the sub-leasing agreement) for possession and use for a period according to the terms of the sub-leasing agreement.

747-4.3. When the item is subleased, the right of claim against the seller is transferred to the lessee under the sublease agreement.

747-4.4. When subleasing the leased object, the lessor must have written consent.

Article 747-5. Legal form of leasing transactions [\[472\]](#)

747-5.1. The legal form of leasing transactions is either a leasing agreement concluded between the lessor and the lessee and a purchase and sale agreement concluded between the lessor and the lessee or a tripartite agreement concluded between those persons in accordance with Article 747-5.2 of this Code and other articles related to leasing. [\[473\]](#)

747-5.2. In addition to the conditions stipulated by this Code, the following must be specifically stipulated in the purchase and sale agreement concluded in connection with leasing:

747-5.2.1. The leased object is acquired by the lessor specifically for leasing;

747-5.2.2. Unless otherwise specified in the lease agreement, the lessee has the buyer's right of claim from the purchase and sale agreement concluded between the seller of the leased object and the lessor.

Article 748. Form of leasing contract [\[474\]](#)

748.1. The leasing contract is concluded in written form.

748.2. The following must be specified in the lease agreement:

- 748.2.4. place and order of leasing object;
 - 748.2.5. the term of the lease agreement;
 - 748.2.6. the rule of accounting of the balance of the leasing object;
 - 748.2.7. maintenance and repair of the leased facility;
 - 748.2.8. the list of additional services to be provided by the lessor under the lease agreement;
 - 748.2.9. the total amount of the lease payment and the amount of the lessor's premium;
 - 748.2.10. a schedule of lease payments reflecting the settlement procedure. The procedure for calculating lease payments when the lease contract is executed ahead of time;
 - 748.2.11. duties of the parties to insure the leased object against the risks related to the lease agreement, unless otherwise stipulated by the contract.
- 748.3. In the leasing contract, the cases that are considered undisputed and obvious violations of the obligations of the parties and lead to the cancellation of the leasing contract should be defined, and the procedure for settlement between the parties and the withdrawal of the leased object must be specified.
- 748.4. The lease agreement may provide for the right of the lessee to extend the term of the lease agreement by maintaining or changing the terms of the lease agreement.

Article 748-1. Rights and obligations of the participants of the leasing contract [\[475\]](#)

- 748-1.1. The lessor must present the leased property to the lessee in accordance with the terms of the lease agreement and the purpose of that property.
- 748-1.2. If the lessee discovers any unsaleability while receiving the property, he must note the deficiencies in an acceptance protocol and inform the lessor in order to make a claim against the legal or natural person who sold this property in order to eliminate the deficiencies.
- 748-1.3. The lessee may make direct demands to the seller of the leased object regarding the quality and completeness of the object, delivery times, and other requirements stipulated by the purchase agreement between the seller and the lessor.
- 748-1.4. The lessor is not responsible for the defects that were stipulated during the conclusion of the leasing contract of the leased object for temporary possession and use or that were known to the lessor in advance, or that could be discovered when the lessee was planning the leased object or when checking its condition during the conclusion of the leasing contract.
- 748-1.5. When the leasing contract enters into legal force, the lessee (respectively, the lessor) is entitled to demand from the lessor (respectively, the lessee) the fulfillment of his obligations under the leasing contract and, in the event of their non-fulfillment, the damage caused during the preparation for the acceptance of the leased object, if direct costs were incurred for this preparation, leasing has to demand payment by the lessor (respectively the lessee) through the court.
- 748-1.6. Guaranteed servicing of the leased object is carried out by the seller, if it is provided for in the purchase agreement.
- 748-1.7. Unless otherwise specified in the lease agreement, the lessee carries out maintenance of the leased object, its average and current repairs at his own expense. Major repair of the leased object is carried out by the lessor, unless otherwise stipulated by the lease agreement.
- 748-1.8. After the termination of the leasing contract, the lessee must return the leased object to the lessor.

748-1.9. If the lessee does not return the leased object or does not return it on time, the lessor has the right to demand payment for the delay.

748-1.10. If the lessee, with the written consent of the lessor, has improved the leased object at his own expense and it cannot be separated without damaging the leased object, after the termination of the lease agreement, the lessee has the right to demand payment of the cost of these improvements otherwise stipulated by the lease agreement.

748-1.11. If the lessee has improved the leased object at his own expense without the consent of the lessor and is unable to leave without damaging the leased object, the lessee does not have the right to demand payment of the cost of these improvements after the termination of the lease agreement.

748-1.12. The lessor has the right to undisputedly take back the sums of money and the leased object and thereby terminate the lease agreement prematurely in the following cases:

748-1.12.1. if the lessee's conditions of use of the leased object do not comply with the terms of the lease agreement or the purpose of the leased object;

748-1.12.2. if the lessee carries out subleasing without the permission of the lessor;

748-1.12.3. if the lessee does not keep the leased object in working order and this deteriorates its consumer qualities;

748-1.12.4. if the lessee does not pay the fee for the use of the leased object more than twice according to the payment terms stipulated by the contract.

748-1.13. Other rights and duties of the participants of the leasing contract are regulated by the Civil Code of the Republic of Azerbaijan.

Article 748-2. Property relations during leasing

748-2.1. The leased object given to the lessee for temporary possession or use is the property of the lessor.

748-2.2. Unless otherwise specified in the lease agreement, ownership of the leased object and the right to use it are transferred to the lessee in full.

748-2.3. The lessor has the right to reclaim the leased object from the ownership and use of the lessee in the cases provided for in Article 748-1.11 of this Code and in the leasing agreement.

748-2.4. The separate improvements of the leased object carried out by the lessee are his property unless otherwise stipulated by the lease agreement.

748-2.5. In the case of financial leasing, ownership of the leased object is transferred to the lessee before the end of the contract period, unless otherwise specified in the financial leasing agreement.

Article 748-3. Accounting of the leasing object

The leased object given to the lessee on the basis of financial leasing should be recorded in the balance sheet of the lessor or the lessee based on the mutual agreement of the parties.

Article 748-4. Concession and pledge of the leased object to third parties

748-4.2. The lessor may use the object of the lease to be purchased under the terms of the agreement as collateral for the purpose of attracting funds.

Article 748-5. Registration of the property that is the object of the lease agreement

The rights to the property, which is the object of the leasing contract, must be state registered at the relevant executive authority in accordance with this Code and other normative legal acts in the manner provided for in this Code.

Article 748-6. Insurance of the leasing object and entrepreneurial (financial) risks

748-6.1. Unless otherwise stipulated in the leasing contract, the seller must insure the leased object against the risks of loss (destruction), deficiency or damage from the moment of handing over the property to the lessor until the end of the lease contract.

748-6.2. Insurance of entrepreneurial (financial) risks can be carried out with the consent of both parties to the leasing contract.

748-6.3. The parties who fulfill the insurer's obligations and take profit, as well as the duties related to the insurance, are determined by the leasing contract.

748-6.4. In cases defined by the legislation of the Republic of Azerbaijan, the lessee must insure his liability for the fulfillment of obligations resulting from damage to the life, health or property of persons in the process of using the leased object.

748-6.5. The lessee has the right to insure the risk of his liability for the breach of the lease agreement in favor of the lessor.

Article 748-7. Allocation of risks between the parties to the leasing agreement

748-7.1. The responsibility for protecting the leased property from all types of damage, as well as from destruction, loss, damage, theft, premature failure, mistakes made during installation or use, and during operation, unless otherwise stipulated by the lease agreement, is carried by the lessee from the moment of actual acceptance of the leased object.

748-7.2. The responsibility of the risk related to the seller's bankruptcy is borne by the lessee when choosing the seller, unless otherwise stipulated by the leasing contract.

748-7.3. The responsibility for the risk related to the non-compliance of the leased object with the purpose of use according to the lease agreement is borne by the party that chooses the leased object, unless otherwise stipulated by the lease agreement.

Article 748-8. Directing the claim of third parties to the object of the lease

748-8.1. Due to the obligations of the lessee, the claim of third parties cannot be directed against the object of the lease.

748-8.2. The claim of third parties directed to the lessor's property can be attributed to the lessor only to the extent of this property right in relation to the leased object. As a result of the satisfaction of the claim, the lessor's property is not subject to seizure.

Article 748-9. Responsibilities of the lessee in case of loss of the leased object

Unless otherwise stipulated in the lease agreement, the loss of the leased object due to the fault or the loss of the leased object's functions does not release the lessee from his obligations under the lease agreement.

Article 748-10. Lease payments

748-10.1. During the period of validity of the lease agreement, the total amount of payments under that agreement is considered as lease payments. Leasing payments are payments made by the lessee in favor of the lessor for the use of the leased object given to the lessee under the lease agreement.

748-10.2. The method, form and periodicity of the amount of lease payments are carried out in accordance with the lease agreement, taking into account the provisions of this Code.

748-10.3. If the lease payments between the lessee and the lessor are settled with the product (of the kind) produced through the leased object, the price of such product is determined by the agreement of the parties and recorded in the lease agreement.

748-10.4. The obligations of the lessee regarding the provision of lease payments, unless otherwise stipulated by the lease agreement, come into force from the time the lessee starts using the leased object.

748-10.5. In the lease agreement, it may be stipulated that the lease payments can be deferred if 6 months (180 days) have passed from the time the leased object is used.

748-10.6. Leasing payments are transferred directly to the lessor's account.

Article 748-11. Total amount of lease payments

748-11.1. The total amount of leasing payments includes:

748-11.1.1. amortization payments of the leased object;

748-11.1.2. necessary expenses related to the acquisition of the leased object;

748-11.1.3. interest on the loan taken to acquire the leased object;

748-11.1.4. the amount of the lessor's premium;

748-11.1.5. if the leased object is insured by the lessor, the amount paid for insurance;

748-11.1.6. the fee for additional services of the lessor;

748-11.1.7. other costs of the lessor stipulated by the lease agreement.

748-11.2. The amounts included in the lease payments must be justified by the lessor with supporting documents.

Article 748-12. The right to inspect the lease agreement

748-12.1. The lessor has the right to control the compliance of the lessee with the terms of the lease agreement for the leased object defined in the lease agreement.

748-12.2. The purposes and procedure of the inspection are stipulated in the lease agreement.

748-12.3. The lessee must ensure that the lessor has the opportunity to get acquainted with the leased object.

Article 748-13. Lessor's right to financial control

748-13.1. The lessor has the right to exercise financial control over the activity of the lessee and the performance of the lessee's obligations related to the leased object under the lease agreement.

748-13.2. The goals and procedure of financial control are stipulated by the lease agreement.

748-13.3. The lessor has the right to send a written request to the lessee to obtain the information necessary to carry out financial control, and the lessee is obliged to respond to these requests.

748-13.4. If the lessee does not fulfill his obligations on lease payments, the lessor has the right to perform the actions provided for by this Code and the lease agreement and aimed at ensuring the fulfillment of the lessor's obligations.

Article 749. Liability of the lessor

749.1. In accordance with the rules of the rental agreement, the lessor is liable to the lessee for delaying or not sending the property, as well as for sending defective property.

749.2. The parties may agree that the lessee must demand fulfillment by the consignee of the property before making any claims against the lessor.

Article 750. Liability of the lessee

If the contract is prematurely terminated due to the fault of the lessee, the lessor may not be liable for demands related to performance that do not belong to his interests. When determining the required residual value of the leased property, the balance of interest on the lease rent and other savings are taken into account.

Article 751. Other rules applicable to leasing

The rules of the property rental agreement, which do not conflict with Articles 747-750 of this Code, are applied to leasing.

Chapter 39.

Contract

Article 752. Contract agreement

752.1. According to the contract, the contractor undertakes to perform the work stipulated in the contract, and the customer undertakes to pay the agreed wages to the contractor.

752.2. If the contract provides for the manufacture of any product and the contractor manufactures it from materials obtained by himself, the ownership of the manufactured product shall be transferred to the customer.

752.3. The drawing up of an estimate related to the contract is not paid, unless otherwise stipulated in the agreement.

Article 753. Agreement on wages

753.1. The customer is obliged to pay the contractor a stipulated wage. If, in those circumstances in which it is assumed that the contract will be performed only in exchange for a fee, it is considered that the wage has been stipulated on the basis of tacit consent. If the amount of the wage is not determined, the usual wage is considered to be stipulated. When the conditional wage is paid, all the works of the contractor included in the scope of work agreed under the contract are considered to be paid.

753.2. If the basis of the salary for the performance of the scope of work stipulated in the contract has changed based on the orders of the customer after the conclusion of the contract, then a new wage should be agreed, taking into account the increase or decrease of the cost.

753.3. If the customer requires the performance of additional works not provided for in the contract, the contractor has the right to receive a separate fee for performing those works. If the customer does not accept that the additional work can be performed only for a separate fee, the contractor must inform the customer of the right to receive a separate fee before starting the work.

753.4. Work not provided for in the contract and not required to be performed by the customer is not paid. If requested, the contractor shall eliminate the consequences of such works. If he fails to do so within a reasonable time, the customer may remove them at the contractor's expense. In addition, the contractor is liable to the customer for all other damages.

Article 754. Consequences of deviation from the approximate estimate

754.1. If the contractor deviates significantly from the estimated estimate, he can only receive payment of the agreed wage, except in cases where it is impossible to foresee the cost in advance.

754.2. The contractor must inform the customer without delay about such deviation from the approximate estimate, which cannot be foreseen at the time of concluding the contract. If the customer terminates the contract as a result of deviation from the estimate, he is obliged to pay for the performed work according to the approximate estimate.

Article 755. Duty to perform work personally

The contractor is obliged to perform the work personally only in the cases where this arises from the contract or specific circumstances or the nature of the work.

Article 756. Duty of the customer to pay compensation for the damage

756.1. If the customer does not accept the completed work, the contractor can demand the payment of the value of the unfinished work and compensation for damages. Even if the customer does not perform the necessary actions for the performance of the work, he is obliged to pay for the damage. [\[476\]](#)

Article 757. Right of lien on the movable object prepared by the contractor

If the movable object belonging to the customer, prepared or repaired by the contractor, possession for the purpose of preparation or repair, the contractor can use the right of lien on th to secure his claims. [\[477\]](#)

Article 758. The right of mortgage to the plot of land under construction

If the subject of the contract is a building or its individual parts, the contractor may mortgage on the customer's land plot on which the building is erected, based on the requ arising from the contract. [\[478\]](#)

Article 759. Termination of the contract

759.1. The customer may withdraw from the contract at any time until the completion of t but he must pay the contractor for the work performed and compensate for the damage cause termination of the contract.

759.2. If the contract is terminated by the customer for a reason directly caused by the (inaction) of the contractor or related to those actions, the contractor can only claim the righ work performed, provided that the customer has some interest in those works. [\[479\]](#)

Article 760. Termination of the contract at the initiative of the contractor

760.1. If the contract is terminated by the contractor for a reason that does not occur dire result of the client's actions or is not related to those actions, the contractor must terminate the until the works are completed in such a way that the client can purchase the works in another on equal or more favorable terms. In this case, the contractor may request payment for t performed, provided that the customer has some interest in the work previously performed.

760.2. If the contract is terminated by the contractor due to the actions (inaction) of the cus for reasons related to those actions, the contractor may demand the payment of the fee for t performed and compensation for the damage caused by the termination of the contract. [\[480\]](#)

Article 761. The right of the contractor to demand a part of the wage - removed. [\[481\]](#)

Article 762. Duty to execute the results of the contract flawlessly

762.1. The contractor must perform the contract for the customer in such a way that the rest contract is free from defects, rights or claims of third parties.

762.3. The failure of the contractor to provide a different contractual result than the contractual result, or to not perform the contract quantitatively, if it is clearly not possible to achieve performance, is considered a defect.

762.4. If third parties cannot claim any rights against the customer, the result of the contract is considered free from the rights and claims of third parties.

Article 763. Request for additional execution in case of defects

763.1. If the product is defective, the customer may request additional performance. The contractor can, at his option, either eliminate the defect or make a new product.

763.2. For the purpose of additional performance, the contractor shall pay additional costs and materials, including transportation costs. If additional performance requires disproportionate costs, the contractor may refuse such performance.

763.3. If the contractor manufactures a new product, he may require the customer to reimburse the cost of the defective product.

Article 764. Correction of product defects by the customer

764.1. If the contractor does not refuse additional performance, despite the disproportionate costs, but the period specified for additional performance expires without results, the customer may request to eliminate the defect himself and pay for the expenses incurred.

764.2. The customer can request an advance payment from the contractor for the costs necessary to eliminate the defect.

Article 765. Rejection of the contract as a result of product defect

As a result of a defect in the product, if the defect is not completely eliminated after the expiration of the period specified for the additional performance of the contract, the customer may withdraw from the contract. In this case, the contractor is obliged to reimburse the customer for the costs related to the contract. [\[482\]](#)

Article 766. Reduction of wages as a result of product defect

If the customer does not accept the additional performance after the expiration of the period for the additional performance of the contract and does not indicate his withdrawal from the contract, he may reduce the amount of wages as much as the defect reduces the value of the product.

Article 767. Execution of the work with the contractor's materials

767.1. If the contractor performs the work with his own materials, he is responsible for substitution of materials.

Article 768. Duty of the contractor to notify the customer in time

768.1. The contractor is obliged to notify the customer in time in the following cases:

768.1.1. if the material purchased from the customer is of poor quality and unsuitable;

768.1.2. if the product will be discontinued or unusable if the order of the customer is executed;

768.1.3. if there are any other circumstances beyond the control of the contractor, which endanger the strength and serviceability of the product.

768.2. If, despite the contractor's timely warning, the customer does not replace the unsuitable low-quality material within the relevant period, does not change the instruction on technical performance rules, or does not eliminate other circumstances that may harm the suitability and durability of the manufactured product, the contractor may refuse the contract and the damages thereby may demand payment.

Article 769. Payment of wages for work performed

If the contract does not provide for the payment of wages in installments, the customer must pay the contractor's wages after the work is completed.

Article 770. Acceptance of completed work

If the work is not accepted according to the contract or according to the nature of the work, the customer is obliged to accept the performed work. When accepting the work, the customer must pay the wages. If the customer does not accept the work within the time specified by the contractor, the work is considered accepted.

Article 770-1. Payment of the purchase price (wage) in contractual relations arising during the expropriation of the shares to which the constituent parts are tied in the land area where the construction of the unfinished building is located [\[483\]](#)

770-1.1. Payment of the purchase price (wages) in contractual relations arising during the expropriation of the shares to which the constituent parts are tied in the plot of land where the construction of the unfinished building is located can be requested only if the following conditions exist:

770-1.1.1. if the contract stipulated in Article 144-1.4 of this Code is notarized;

770-1.1.2. if a security record has been made in the state register of immovable property in favor of the acquirer about the shares to which the constituent parts are tied in the land area where the building is located;

770-1.2. The conditions defined in Article 770-1.1 of this Code also apply to the cases where the contractor, acting as a seller, undertakes to transfer ownership rights over the shares to which the constituent parts are tied in the land where the construction of the unfinished building is located.

770-1.3. If separate stages and installments are not provided for in the contracts provided for in Article 144-1.1 and 770-1.2 of this Code, payment of the purchase price (wage) may be made in installments for the construction, provided that the following percentages do not exceed:

770-1.3.3. *after the completion of construction of roof surfaces and gutters - 8 percent of the amount;*

770-1.3.4. *after the installation of heat supply systems is completed - 3 percent of the contract amount;*

770-1.3.5. *after the laying of water lines is completed - 3 percent of the contract amount;*

770-1.3.6. *after the laying of electric lines is completed - 3 percent of the contract amount;*

770-1.3.7. *upon completion of window installation (including glazing) - 10 percent of the contract amount;*

770-1.3.8. *after the completion of internal plastering (plastering) works - 6 percent of the contract amount;*

770-1.3.9. *after the floors of the areas serving more than one component in the building with more than one component are ready - 3 percent of the contract amount;*

770-1.3.10. *after completion of facade works - 10 percent of the contract amount;*

770-1.3.11. *after completion of the construction of facilities serving the building and constructed outside from the building, including the water reservoir - 9 percent of the contract amount;*

770-1.3.12. *after the building is fully ready and its operation is allowed - 5 percent of the contract amount;*

770-1.4. *The provisions of this Code on the purchase and sale of immovable objects shall be applied accordingly to the purchase and sale contracts of the shares in which the constituent parts are tied to the building where the construction of the unfinished building is located.*

Article 771. Liability of the contractor for the destruction of the customer's property

The contractor is responsible for the destruction or damage of the customer's property due to his carelessness.

Article 772. Contractor's risk

772.1. The risk of accidental destruction or damage of the completed work shall be borne by the contractor until the execution is handed over to the customer. The risk of accidental destruction or damage passes to the customer at the same time as the performance is handed over to the customer. The customer's delay in accepting the performance is considered equivalent to the delivery performance.

772.2. The risk of accidental destruction or damage to the material rests with the party providing the material.

Article 773. Consequences of receiving a defective product

If the customer accepts the product, knowing that it is defective, without making a claim, no demand related to these defects does not arise.

Article 774. Warranty period

If the contractor has undertaken a warranty period for the product, the defect discovered during the warranty period gives rise to the corresponding rights.

If the contractor willfully conceals the defect, he cannot rely on an agreement that excludes the customer's rights regarding the defect in the product.

Article 776. Claim period under the contract

776.1. The customer can make a claim regarding a defect in the execution within one year day of acceptance of the work, and a claim related to the building within five years.

776.2. If the work is accepted in parts under the contract, the claim period for the defect starts from the day of full acceptance of the work.

Chapter 40.

Task

Article 777. Assignment contract

777.1. According to the assignment contract, the person who undertakes to perform the assignment (the agent) undertakes to perform the contracts, works or other services assigned to him by another person (the principal) without guaranteeing the achievement of a specific result.

777.2. An assignment contract can be concluded both verbally and in writing. The contract enters into force after the acceptance of the assignment by the agent.

777.3. *Removed.* [\[484\]](#)

777.4. In accordance with this Code, the legislation on the assignment contract is applied subsidiarily (as an additional means) to the contracts related to any type of contracts, including contract contract.

Article 778. Contents of the assignment

778.1. The person receiving the power of attorney must perform the task honestly, and at all times protect the legitimate interests of the person giving power of attorney.

778.2. If the content of the task is not directly indicated, it is determined by the nature of the contracts concluded or the services provided. For example, the task should specify the authority to perform legal actions related to its implementation. Provisions relating to representation for third parties apply.

778.3. If the principal has given any instructions for the performance of the assigned contract, the principal may deviate from these instructions only if he cannot obtain the appropriate permission from the principal under the circumstances of the case and, moreover, to assume that the principal would have allowed such deviation from the assignment if he had known the circumstances of the case. If there are grounds without such grounds, the power-of-attorney recipient deviates from the instructions of the principal to the detriment of the power-of-attorney, he must pay for the damage caused. [\[485\]](#)

779.1. The agent is responsible for the damage caused to the agent as a result of not performing a task in good faith due to intention or carelessness. Under the non-reimbursed commission contract, the agent is liable for the damage caused to the agent as a result of intentional or gross negligence of the agent. [\[486\]](#)

779.2. The degree of good faith for which the agent is responsible is determined by the assignment, taking into account the following:

779.2.1. risk related to professional activity and special knowledge necessary for the implementation of the task;

779.2.2. what the grantor knows or should know, the capacity and qualities of the grantee.

Article 780. Personal obligations of the power of attorney. Liability for third parties

780.1. The power-of-attorney must perform the task personally, except in the following cases:

780.1.1. when the power of attorney authorizes him to give execution to third parties;

780.1.2. if it is necessary to entrust the execution of the task to third parties;

780.1.3. when such granting of execution is in accordance with accepted business practices.

780.2. If the client of power of attorney has entrusted the performance of the contract or the provision of services to a third party without having the right to do so, he is responsible for the actions of that person as his own actions.

780.3. If he has given the performance of the contract or the provision of services by his deputy, he is only responsible for due diligence in the selection and instruction of the third party, provided no separate condition is set in the contract and no separate condition arises from the circumstances of the case.

780.4. In any case, the power of attorney can directly assert the claims that the power of attorney has against third parties against those third parties.

Article 781. Duty to provide information and report to the attorney

At any time, at the request of the person giving the power of attorney, the person receiving the power of attorney must provide him with information about the progress of the execution of the task, as well as a report after the execution of the task.

Article 782. The duty to provide the results of the execution of the task

782.1. The authorized person is obliged to give all the results obtained as a result of the execution of the task to the authorized person.

782.2. The receiver of the power of attorney is obliged to calculate interest on the money delayed.

782.3. If the client of power of attorney has obtained claim rights against third parties on behalf of the power of attorney, these rights are transferred to the power of attorney after he has fulfilled all the obligations arising from legal relations under the assignment contract.

Article 783. Reimbursement of attorney's fees and salary

783.1. The power of attorney shall compensate the power of attorney for the costs incurred by the power of attorney in the performance of the task in good faith, including interest, and release the power of attorney from the obligations undertaken for this purpose.

783.2. The principal must pay the principal only if it is stipulated or accepted as such, especially in cases where the principal contracts or renders services in the form of independent professional activity.

783.3. If the amount of the wage is not determined in the cases provided for in Article 783 of the Code, if there is a tariff, the wage according to this tariff, and if there is no tariff, the wage received by the power of attorney in the location of the power of attorney is considered the stipulated wage.

Article 784. Liability of the attorney

The attorney-in-fact shall be liable to the attorney-in-fact for the damage caused to the attorney-in-fact during the execution of the task, if he does not prove that the damage was not caused by his actions.

Article 785. Liability of several persons under the assignment contract

785.1. If the assignment was given by several persons together, they are jointly liable to the recipient of power of attorney as joint debtors.

785.2. If several persons jointly accepted the task for execution, they are liable as joint debtors. The assignment can bind the agent only by joint actions, provided that they are not authorized to entrust the execution of the task to third parties.

Article 786. Termination of the assignment contract

786.1. Each participant of the assignment contract can cancel the contract at any time. If the contract is for consideration, the party giving the notice of cancellation must compensate the other party for the damages, provided that it does not prove that the reason for the cancellation of the contract was caused by the actions of the other party or was related to those actions. [\[487\]](#)

786.2. If there is no separate condition in the contract or a separate condition does not arise from the nature of the assignment, the assignment contract is terminated when the person giving power of attorney or the recipient of power of attorney dies, becomes incapacitated, or is declared insolvent.

786.3. If the protection of the principal's interests is jeopardized as a result of the termination of the assignment agreement in accordance with Article 786.2 of this Code or as a result of the termination of the contract by the principal without the principal's fault, the principal, his successor or his representative shall or until his representative is able to continue legal relations under the assignment contract, they must take care of the continuation of these relations.

786.4. Until the termination of the assignment contract is known to the agent, obligations shall continue to be formed for the assignor or his successor in the event that the assignment agreement is not terminated.

786.5. If the contract is terminated by the client as a direct result of the act of the principal or reasons related to that act, the client may demand the fee for the work done from the principal. [

786.6. If the contract is canceled by the agent for a reason that is not directly caused by the agent or not related to that action, the agent can demand payment for the work done or agent has some interest in the work done. [489]

Chapter 41.

Brokerage

Article 787. Definition of brokerage contract

787.1. According to the brokerage contract, the broker is tasked with providing mediation to the client in exchange for a fee.

787.2. If no other rule follows from the following provisions of this chapter of this Code, on the assignment contract are applied to the brokerage contract.

Article 788. Formation of the broker's right to receive remuneration. Reimbursement of e

788.1. The broker has the right to receive remuneration after the execution of the contract as of his mediation services or assistance. If the contract is concluded with a suspensive condition, it can be demanded only when that condition occurs.

788.2. Broker's expenses are reimbursed only if separately stipulated. This also applies where the contract is not concluded.

788.3. If the broker has provided services to another participant in a way that is contrary to the brokerage contract, or has provided for payment from the other party contrary to the principle of good faith, his right to receive payment and compensation for his expenses is excluded.

Chapter 42.

Trade representative (agent)

Article 789. Agreement on commercial representative (agent).

789.1. According to the contract on trade representative, to provide mediation services and at the expense of any manufacturer, industrialist or merchant (principal) in the conclusion of purchase and sale contracts, as well as contracts for the creation of services (trade contracts) to

789.2. Both individuals and legal entities can be commercial agents. The following commercial agents:

789.2.1. persons who occasionally engage in mediation activities or concluding contracts;

789.2.2. persons working in trade and commodity exchanges;

789.2.3. persons who have concluded an employment contract with the employer.

789.3. The contract on the trade representative is concluded in written form.

789.4. Obligations not regulated by the contract are subject to this Code and, in addition, customs in the field of trade where the trade representative is present.

Article 790. Duties of commercial agent

790.1. The general duties of a commercial agent are derived from Article 778 of this Code.

790.2. The commercial agent has the following duties:

790.2.1. to try to conclude deals for the client in mediation mode or to close deals, as well to increase the number of clients of the client in an optimal manner;

790.2.2. to notify the client about all orders and (or) signed contracts;

790.2.3. to inform the client of all the necessary information he has;

790.2.4. to carry out the essential orders of the taskmaster;

790.2.5. to obtain the prior consent of the client to offer products and services similar to the products and services at its own expense or at the expense of another client.

790.3. In the contract, other duties may be assigned to the commercial agent, including the following duties:

790.3.1. reporting regularly on specific topics;

790.3.2. achieving minimum turnover (quota) on orders or contracts;

790.3.3. to store and ship goods for the principal as necessary and for a separate fee, as well as to collect amounts from his debtors.

790.4. The commercial agent must provide a guarantee for the performance of contracts but only in the following cases:

790.4.1. when it is expressed in advance in written form;

790.4.2. when the guarantee applies to a clearly defined contract or to several contracts with predetermined customers;

790.4.3. when a separate fee is stipulated in the agreement on undertaking a guarantee, the deadline for payment of this fee to the trade representative is reached immediately after the conclusion of the contract with the customer. Agreements contrary to this are not valid.

Article 791. Duties of the assignee

791.1. In relation to the commercial agent, the principal must act in accordance with the principle of good faith. Assigned by:

791.1.1. must provide necessary information to the commercial agent about its products and services, business rules and prices;

791.1.2. must provide the commercial agent with the information necessary for the execution

s where it is possible to assume that the volume of commercial transactions will be significant than the volume that the commercial representative can normally expect;

791.1.3. must notify the commercial agent within a reasonable period of time about the acceptance or rejection or non-execution of the commercial contract proposed by the commercial representative;

791.1.4. must pay a fee to the commercial agent.

791.2. The contract may also stipulate other duties of the principal, including the duty to respect the commercial agent's exclusive right (monopoly right) valid for a certain territory or for certain customers.

Article 792. Salary of commercial agent

792.1. A commercial agent has the right to receive a fixed monthly salary and (or) commission salary depending on the turnover or volume of transactions.

792.2. The salary is calculated according to the contract. If it is not regulated by the contract, the commercial agent has the right to receive equal remuneration for the goods presented by him and for similar goods in accordance with business practices. In the absence of business customs, any party to the contract may apply to the court to determine a reasonable wage, taking into account the circumstances.

792.3. Article 793 of this Code shall be applied to cases where wages are based entirely or partly on commission principles.

Article 793. Commission fee of commercial agent

793.1. A commercial agent has the right to receive a commission fee for:

793.1.1. all trade deals concluded either as a result of the trade agent's activity during the term of the trade representative agreement, or concluded with persons previously engaged by the trade agent or clients for the implementation of similar trades;

793.1.2. if the commercial agent has a monopoly right in a certain geographical area or in a certain group of persons, all transactions concluded with customers in that area or from that group;

793.1.3. commercial contracts concluded after the expiration of the contract on the part of the commercial representative - provided that the contract was created as a result of the activity of the commercial representative during the period of validity of the contract or for a reasonable period after that, or until the termination of legal relations under the contract on the part of the agent or commercial representative who commissioned the customer's order get it.

793.2. If a trade deal is carried out as a result of the activity of several trade agents, they are entitled to a commission fee in proportion to the influence of each of them on the conclusion of that deal.

793.3. The commercial agent's claim to the commission fee arises after the principal has fulfilled his obligations under the contract with the third party. The commission is formed from the moment when the third party fulfills or should fulfill its contractual obligations after the principal has fulfilled his obligations.

793.4. If there is certainty that the contract concluded between the principal and the third party will not be fulfilled and its non-fulfillment does not result from the circumstances for which the principal is not responsible, the commercial agent is entitled to a commission fee.

793.5. In the month following each quarter of the calendar year, the assigning agent shall issue an account of the commission fee due to him for the corresponding quarter. In this account, the commercial agent shall show the necessary information to check the amount of the salary and the payment period.

793.6. The commission fee for each quarter must be paid no later than one month after the end of the quarter.

793.7. The period for issuing and paying the account of commission wages in accordance with Articles 793.5 and 793.6 of this Code may be shortened or extended based on the agreement between the parties, and this period itself may be extended for a maximum of six months.

793.8. The commercial agent has the right to review all the client's documents, including accounting documents necessary for the calculation of the commission fee.

Article 794. Term of validity and cancellation of the contract on trade representative

794.1. Legal relations under the contract on the trade representative are terminated within the period specified in the contract, if the validity of the contract is not limited to a specific period. If the commercial agent continues his activity with the tacit or direct consent of the principal, or if a new contract is concluded after the initial contract, it is considered that the contract was concluded for an indefinite period from the very beginning.

794.2. A contract concluded for an indefinite period may be terminated by any participant in the contract after a reasonable period of notice of termination. A reasonable period is at least 1 month during the first year, at least 2 months during the second year, and 3 months if the contract lasts for more than two years. If a fixed-term contract is converted into an open-ended contract in accordance with Article 794.1 of this Code, the entire validity period of the contract is taken into account when calculating the notice period for cancellation.

794.3. The parties to the contract may stipulate a longer period of notice of termination. The period of notice of cancellation shall be the same for both the principal and the commercial agent.

Article 795. Termination of the contract on trade representative as a result of extraordinary circumstances

795.1. Each participant of the trade representative agreement may terminate the agreement at any time without waiting for the notice period in the following cases:

795.1.1. when the other participant who significantly violates his duties is given a written warning about this, and he continues to violate his duties even after the expiration of the specified period of warning;

795.1.2. when other extraordinary circumstances occur for which none of the contracting parties is responsible and these circumstances no longer make it reasonable to require the contracting parties to maintain the contract in force.

795.2. Claims of any party to the contract on trade representative for compensation for damages caused by the violation of their duties by the other party shall remain valid.

Article 796. Compensation for clients

796.1.1. attract new clients for the client or significantly increase the volume of transactions with existing clients;

796.1.2. the assignee can continue using the benefits arising for him from Article 796.1. of this Code;

796.1.3. as a result of the termination of the contract, the commission will be removed from the hands of the commercial agent.

796.2. The maximum amount of compensation is limited to the amount of the annual salary. The annual salary of the commercial agent is calculated as the average salary for the last years (maximum 5 years) before the termination of the contract on the commercial representative.

796.3. Compensation is not paid in the following cases:

796.3.1. when legal relations under the contract are terminated due to the fault of the commercial agent;

796.3.2. when the commercial agent terminates legal relations under the contract on grounds other than those provided for in Article 796.3.1. of this Code;

796.3.3. when, with the consent of the principal, the commercial agent assigns the rights arising from the contract to any third party.

Article 797. Compensation for damage

When the legal relations under the contract are terminated, the commercial agent may also claim compensation for the damage caused to him as a result of the client's illegal or incorrect change of legal relations under the contract or termination of these relations, except for the cases provided for in Article 796 of this Code.

Article 798. Consequences of the death of a commercial agent

In the case of the death of a commercial agent, his heirs can claim compensation for clients.

Article 799. Exclusion of competition after termination of the contract on trade representation

The commercial agent may stipulate that he will not compete with the principal after the termination of the contract. Such exclusion of competition is valid only if, firstly, it is limited to the territory, persons and type of products in which the commercial representative has the exclusive representation, and secondly, it is limited to a maximum period of two years from the moment of termination of legal relations under the contract about the commercial representative.

Chapter 43.

[490]

Commercial concession _____

800.1. A concession contract is a general agreement (uniform contract) between a producer (the principal) and a person engaged in independent activity in the form of a craft (the concessionaire) on the basis of which the concessionaire undertakes the following:

800.1.1. periodically purchase certain goods (contract goods) from the principal;

800.1.2. sell these goods to another person on his own behalf and at his own expense;

800.1.3. at this time to sell contract goods in certain territories and (or) to certain customers (contract territory and contract customers). Regarding them, the principal gives the concessionaire an exclusive right of sale (monopoly right), and the concessionaire must give a guarantee for the sale of the principal's goods under his control.

800.2. Unless otherwise stipulated in the contract, the concessionaire does not have the right to sell contract goods outside the territory of the contract or to customers other than the contract customers.

800.3. A simple purchase to sell to another cannot give rise to a concession agreement. Regular commercial relations cannot be the basis for a concession agreement.

Article 801. Application of the provisions on the commercial representative to the concession agreement

801.1. In the absence of a separate agreement, Articles 789.3, 790.2.3-790.2.5 and 791.1.1-791.1.7 of this Code shall be applied to the legal relations between the concessionaire and the principal.

801.2. Subject to the following conditions, Articles 794-798 of this Code are also applied to the relations under the concession agreement:

801.2.1. in accordance with Article 794.2 of this Code, the mutual terms of notification and cancellation are extended by three months;

801.2.2. for the calculation of the compensation in accordance with articles 796.1 and 796.2 of this Code, the fee that the concessionaire is expected to receive if he performs the duties of a commercial representative is taken as the basis.

801.3. In other cases, compensation is paid only subject to the following conditions:

801.3.1. if, at the time of termination of the contract, the principal has received information about the number of customers that the concessionaire has increased or expanded and can send goods to these customers in the volume sent by the concessionaire;

801.3.2. if the concessionaire no longer uses the customers himself to sell competing goods.

Article 802. Reciprocity between uniform agreement on concession and purchase agreements

802.1. The relationship between the principal and the concessionaire is the subject of a uniform (uniform) contract. In addition to the provisions arising from Article 800.1 of this Code, the contract may stipulate that the concessionaire:

802.1.1. must have a certain trade-service organization;

802.1.2. must have appropriate personnel;

802.1.3. must carry out repairs of sold goods;

802.1.4. must participate in employee training and advertising events;

802.1.6. must receive a certain amount or a certain amount of goods (quota) from the client each year.

802.2. Separate agreements on the sale of goods to the concessionaire do not depend on a separate agreement. However, a uniform contract may specify general conditions applicable to all sales contracts, including the following:

802.2.1. discount given to the concessionaire from the total price list of the contractor;

802.2.2. payment terms;

802.2.3. conditions on the guarantee of the assignment.

802.3. The principal cannot unilaterally acquire the following rights under a uniform contract:

802.3.1. set sales prices for the concessionaire;

802.3.2. change possible conditional quotas.

Article 803. The concessionaire's right to make a final decision

803.1. The concessionaire has the right to freely organize its commercial activities, including setting resale prices.

803.2. If the concessionaire's change in trade organization, sales or service service endangers the optimal sale of the client's goods, it may be grounds for immediate cancellation of the contract by the client in accordance with Article 795 of this Code, but taking into account Article 794.

Article 804. Protection of Concessionaire's customers

804.1. While the uniform contract is in force, the principal is prohibited from contacting the concessionaire's customers directly or through third parties with the aim of selling the same or similar goods.

804.2. The parties to the contract may agree that the principal is permitted to sell the goods to the concessionaire's customers in an exceptional manner. In this case, the assigning concessionaire is obliged to pay commission according to Article 793 of this Code.

Article 805. Duty of the customer to send goods

805.1. The principal is obliged to send the goods ordered by the concessionaire to the customer in accordance with the uniform contract.

805.2. The customer can refuse to send the goods only on important grounds.

805.3. If the shipment of the goods is refused or the goods are not shipped on other grounds, the concessionaire is exempted from the obligation to reach a certain quota in the year in which the goods should be shipped according to the order. In this case, other claims for damages remain valid.

Article 806. Guarantee of the assignment

806.1. The principal guarantees that the goods are free of defects when delivered to the customer.

arranty. The warranty claim period starts from the day the concessionaire resells the goods later than six months from the day the consignee ships the goods. Agreements on deviations have no effect, if these deviations are not expressly stipulated and expressed in writing.

806.2. The concessionaire does not have the right to make any changes to the goods intended for sale or their containers without the prior consent of the client. If the principal makes changes to the goods, he must notify the concessionaire about this within a reasonable time.

Article 807. Consequences of termination of the concession agreement

807.0. After the termination of the uniform contract between the concessionaire and the principal, the concessionaire can no longer act as the concessionaire of the order in front of customers. In addition, he may not use the client's trademarks and signs. The concessionaire is obliged to transfer all trademarks and signs registered in his name and used until the conclusion of the contract to the name of the assignee. Initial registration and handling costs are borne by the assignee.

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807.0.2. If the concessionaire had to keep a warehouse to fulfill its obligations to customers of the principal, the principal is obliged to purchase the goods remaining in his warehouse. If the goods are in good, salable condition, the purchase price shall not be less than the price paid by the concessionaire to the principal at the time of the last purchase. The concessionaire may refuse the purchase. The principal has the right to sell the balance in the warehouse to customers within a reasonable period of time.

Chapter 44.

Commission

Article 808. Commission contract

808.1. According to the commission contract, one party (commissioner) undertakes to conclude one or more contracts on behalf of the other party (the principal) in return for a fee, but at the expense of the principal. The broker acquires the rights under the contract concluded with a third party, even if the client is named in the contract or enters into direct relations with the third party for the execution of the contract, and the broker becomes liable.

808.2. *Removed.* [\[491\]](#)

808.3. The commission contract is for a certain period of time or without specifying the period of validity, with or without specifying the area of execution, with or without the obligation to inform third parties the right to conclude contracts that the client has entrusted to the commissioner to conclude for his interests and at his expense, with conditions regarding the range of goods that are the subject of commission. or it can be closed without putting.

Article 809. General duties of the commission agent

809.1. The commission agent must carry out the assigned work in good faith and protect the interests of the principal.

809.3. The commission agent must inform the client about the course of his work, including the course of execution of the commission task.

809.4. The broker shall not disclose the name of the principal without his permission.

Article 810. Instructions of the commission

810.1. The broker must follow the client's instructions, including waiting for the price limit.

810.2. The client can refuse the contract concluded with deviations to his own loss, but the cases where the broker offers compensation for the loss are an exception.

810.3. All the benefit from the deal concluded by the broker on more favorable terms goes to the client.

Article 811. Reporting by the commission agent

811.1. The commission agent is obliged to inform the client about the terms of the contract and to perform actions on his own behalf and at the expense of the customer.

811.2. In the absence of a separate agreement, the broker is not obliged to disclose the name of the third party, except in cases where it is feared that the broker is insolvent.

811.3. The right to refuse to provide the name of the third party does not affect the obligation to provide any other information necessary for the report. At the request of the principal, the commission agent must provide all information, including the name of the third party, to the notary. The notary, while maintaining the anonymity of the third party, gives this information to the client.

Article 812. Duties of the commission agent regarding commission goods

812.1. If the commission goods sent to the broker by order of the principal are damaged, the broker must protect the rights of the principal, take care of the evidence about the condition of the goods and immediately notify the principal about it.

812.2. The seller's rights and duties are imposed on the broker regarding the commission goods intended for the customer.

Article 813. Responsibility of the commission agent for goods

The broker is responsible for the loss and damage of the goods taken for storage, unless in exceptional cases of force majeure.

Article 814. Responsibility of the broker for the execution of the contract by a third party

814.1. The commission agent is responsible for the performance of the obligations of the third party with whom he has entered into a contract at the expense of the client, provided that he has taken all necessary measures. Liability applies to all obligations arising from a contract with a third party.

814.2. In this case, the commissioner should be paid an additional fee. Unless otherwise specified, the fee is 1% of the value of the goods.

Article 815. Commission salary

815.1. The commission agent may demand a commission fee if the contract concluded at the expense is executed by a third party or if the contract is not executed due to reasons for which it is responsible.

815.2. The amount of the commission fee is determined by the commission contract, in the absence of such a provision, if the commission contracts are related to the subject of the commercial enterprise, it is determined based on local business customs.

815.3. In addition, the commission agent may demand compensation for the expenses incurred in the course of the performance of the commission contract and which he deems necessary, taking into account all the circumstances. The expenses of the commission agent or his staff for the performance of ordinary work and other expenses paid according to the contract or at the expense of the commission agent are not reimbursed.

Article 816. Agreements between the commission agent and himself

816.1. If the goods have an official exchange or market price and the client has not made a condition, the broker has the right to conclude transactions with himself.

816.2. The broker must give a notification about the contracts he has concluded with himself and prove the exchange or market price that existed at the time of sending the notification.

Article 817. Broker's right to sell

817.1. If the principal does not take possession of the commission goods according to the conditions, but does not do so, the broker acquires the right to sell the commission goods.

817.2. If the goods are prone to spoilage or changes are subsequently discovered in the goods that may lead to a decrease in price and there is no time to contact the customer, the broker has the right to take care of selling the goods by notifying the customer in advance.

Article 818. Ownership rights to objects provided by the client

Ownership rights to objects given by the client to the commission agent remain with the client until the commission contract is executed.

Article 819. Agreement on performance of actions on behalf and at the expense of the customer

819.1. The commission agent is a creditor and a debtor in the contract with third parties for the performance of actions on his own behalf and at the expense of the customer.

819.2. The commission agent is obliged to give to the client all that he got from the execution of the commission contract.

819.3. The customer can make demands arising from the deal concluded by the broker on

819.4. The broker's concession to the creditor of the claims arising from the contract performance of actions on his own behalf and at the customer's expense has no effect. If the property is mortgaged, the principal can demand its cancellation. If the secured claim has already been secured by another creditor, the commissioner may request the release of the creditor's receipts based on that claim.

Article 820. Security right of the commission agent

820.1. Based on the claims of the broker against the client from any commission agreement or previous commission agreements, the broker acquires a legal lien on the commission goods that he or she can dispose of according to the documents. Even if the commission goods are not owned by the broker but the broker honestly accepts that the goods belong to the client, the broker acquires the right to pledge this property. [\[493\]](#)

820.2. The commission agent can receive security for the claims against the third party based on the performance of the commission agreement.

Article 821. Termination of commission contract

821.1. In case of death of the commission agent, the commission contract is terminated.

821.2. Participants of the commission contract can cancel the contract at any time. If the client gives a notice of termination of the contract, he must pay the costs incurred by the broker.

Chapter 45.

Storage

§1. General provisions on storage

Article 822. Storage contract

According to the storage contract, one person (consignor, custodian) undertakes to store a movable object given to him by another person (consignee, consignee) and to return it when the term of the contract expires.

Article 823. Responsibilities of the consignor

823.1. The principal shall reimburse the necessary costs incurred by the custodian in connection with the execution of the custodial agreement.

823.2. The customer must pay the storage fee only if it is stipulated or the payment of the fee is accepted taking into account the conditions. If necessary, wages are paid at the end of storage. If there is an agreement on the payment of wages for certain time periods, the wages are paid in installments at the end of separate time periods.

known about the dangerous properties of the thing while giving it to the custodian, or he notified the custodian about it, or the custodian knew about it without notification.

Article 824. Responsibilities of the consignee (custodian).

824.1. If the storage is carried out free of charge, during the storage period, the storer is responsible for willful and/or gross negligence. If the storage is performed for a fee, the depositor is responsible for the observance of the stipulated good faith, and in other cases for the good faith customary storage of such things. [\[494\]](#)

824.2. The custodian has no right to use the thing taken into custody without the prior consent of the client. Otherwise, he is responsible for the accidental loss of the item, unless he proves that it was possible without using the item.

824.3. At the request of the assignee, the depositor must return the item. This provision is valid even if a specific period of storage is set. The item must be returned to the place where it was stored. The custodian of the thing is not obliged to deliver it to the assignee. The item is returned at the customer's expense and at the customer's risk.

Article 825. Rights of the consignee (keeper).

825.1. The custodian has the right to change the type of conditional custodianship if it can reasonably be expected, taking into account the circumstances, that the client will agree to do so, knowing the situation. Until then, the custodian must notify the principal of the change and wait for his decision if the delay is not due to risk.

825.2. If no storage period has been set, the custodian may request the principal to take the item at any time, provided that the request is not made at a clearly inconvenient time for the principal and must not be executed within an inconvenient time. When the retention period is determined, the custodian may request the return of the item only on essential grounds. [\[495\]](#)

Article 826. Storage of replaceable items

826.1. If money is accepted for safekeeping and it is stipulated by express or tacit agreement that the depositor must return the same amount rather than the same money, the ownership of the money, the right to use it and the risk of its loss are transferred to the depositor. In this sense, tacit agreement is presumed if the amount of money is given in an unsealed and unbound form.

826.2. If other replaceable items or *documentary* securities are accepted for safekeeping, the custodian may dispose of them only if the principal has given express permission to do so. [\[496\]](#)

§2. Storage in warehouses

A hoarder is a keeper who engages in warehousing as a craft and openly offers his warehouse services. Unless otherwise stipulated in the following provisions of this paragraph of this Code instructions are applied to the services of the warehouse owner.

Article 828. Commodity papers [\[497\]](#)

828.1. *The warehouse owner can write and issue commodity papers for the goods accepted for storage. A commodity paper is a document (warehouse certificate, bill of lading, etc.) that establishes the right of the holder to dispose of the commodity specified in that paper and to buy this commodity.*

828.2. *Bills of lading can be written in the name of the consignor or the owner of the goods.*

828.3. *If a commodity paper is written on any goods, the warehouse owner can and must give the goods to the authorized person specified in this document.*

828.4. *The following information must be indicated in the commodity papers:*

828.4.1. *place and date of drawing up of the document, signature of the person who issued the document;*

828.4.2. *the name and place of residence of the person who issued the document;*

828.4.3. *the name and residence or location of the person storing the goods or the consignor;*

828.4.4. *the name of the goods stored or given for storage, indicating the quality, quantity, and other characteristics;*

828.4.5. *fees due or prepaid;*

828.4.6. *special agreements accepted by interested parties on the handling of goods;*

828.4.7. *the number of copies of commodity papers;*

828.4.8. *specifying the name of the authorized person on that document or a reservation about the document, specifying the submitter.*

828.5. *If one of several commodity papers is intended for the identification of a pledge, such a paper should be called a pledge certificate (warrant) and according to the rest of its information, it should be included in a commodity paper. In other copies, it should be noted that the pledge certificate was issued, and each copy should be reflected, indicating the amount of the claim and the payment period.*

828.6. *If certificates for stored or shipped goods are issued in violation of the legal instructions on the issuance of commodity papers, they are not considered commodity papers, but receipts or other confirming documents.*

828.7. *Certificates issued by warehouse owners without obtaining permission from the authorized person must be issued by law, are considered commodity papers if they comply with the legal instructions on the issuance of commodity papers.*

828.8. *A bill of lading is a commercial paper consisting of a document of disposition of goods, which establishes the right of its owner to dispose of the cargo specified in the bill of lading and to receive the cargo after completion of transportation. The bill of lading can be untitled or titled.*

828.9. *A double warehouse certificate is a commodity paper confirming the acceptance of goods for storage by the warehouse owner. A double warehouse certificate consists of two parts - a warehouse certificate and a warrant certificate (warrant), which are separate commodity papers.*

828.10. *A common warehouse certificate is a commodity document confirming that the goods have been accepted for storage by the warehouse owner.*

Article 829. Responsibilities of the warehouse owner

829.2. The warehouse owner must immediately notify the customer about the changes to which goods have been subjected and which allow additional measures to be taken from the storage section.

829.3. The warehouse owner must allow the warehouseman to inspect the goods and take measures during the warehouse's normal business hours. In addition, the warehouse owner must allow the customer to take measures for the safety of the goods whenever it is necessary.

829.4. The warehouse owner is allowed to mix the replaced items with other items of the same kind and quality only in cases where the customer gives him direct permission in advance. In the case of mixed storage, the warehouse owner must, at the request of any customer, give the amount of goods corresponding to the quantity assigned to storage by that customer.

829.5. The warehouse owner must return the goods as a depositary. The warehousekeeper is bound by the conditional storage period even though, due to unforeseen circumstances, the depositor may have the right to return the item before the expiration of the conditional storage period.

Article 830. The warehouse owner's right to receive wages and compensation for his expenses as well as the right to pledge

830.1. If a specific wage (storage fee) is not stipulated, the warehouse owner has the right to receive a normal fee for storage in the warehouse. If the customer takes back the goods in whole or in part, he must pay the storage fee in each case. If the storage period is more than three months, the storage fee is paid at the end of every three months accordingly.

830.2. In addition to the storage fee, the warehouse owner has the right to be reimbursed for costs not related to storage, such as freight, customs duties, and repair costs. Accordingly, at the request of the warehouse owner, the assignor must pay the expenses immediately.

830.3. The warehouse owner has the right to lien on all the claims arising from the storage of goods on the goods he has stored - the goods of the customer as a commission agent. [\[498\]](#)

§3. Storage of goods in hotels and restaurants

Article 831. Liability of the hotel or restaurant owner

831.1. A hotel or restaurant owner is a person who gives tip to other people (guests). An item is considered stored in the hotel or restaurant if it is kept by the guests in the hotel or restaurant owner's premises or in any other place outside the establishment determined by the hotel or restaurant owner or his staff, or if it is otherwise accepted for storage by the hotel or restaurant owner or his staff responsible for the item. The hotel or restaurant owner is liable for destruction or theft.

831.2. The obligation to pay compensation does not apply to cars, things in cars and live animals.

831.3. If the hotel or restaurant owner proves that the damage was caused by the guest, the guest's accompanying him or the person receiving the guest, or that it was caused by the nature of the goods or the influence of force majeure, his responsibility is excluded.

The owner of a hotel or restaurant is obliged to accept money, *documentary* securities, and other valuables for safekeeping, except in cases where they are extreme or dangerous for the restaurant due to their importance or volume due to their quantity or degree. The hotel or restaurant owner may require them to be delivered in a closed or sealed box (case, crate).

Article 833. Limitation of liability of hotel or restaurant owner

833.1. The owner of a hotel or restaurant bears the responsibility stipulated in Article 831 Code in an amount not exceeding one hundred thousand manats. [\[500\]](#)

833.2. However, if the item is lost, spoiled or damaged due to the fault of the owner of the restaurant or his staff, as well as if it is about the items that he accepts for storage or does not accept storage contrary to Article 832 of this Code, his liability is not limited.

Article 834. Exclusion of liability of hotel or restaurant owner

In the cases provided for in Article 832 of this Code, the exclusion of liability under the conditions has no effect. In other cases, the liability of the hotel or restaurant owner is excluded in advance only for the part of the damage that exceeds the maximum amount specified in Article 833.1 of this Code. Exemption from liability occurs only if the guest gives a written notice of this and there are no separate provisions in this notice.

Article 835. Cancellation of the guest's right to compensation for damages

If the guest does not notify the owner of the hotel or restaurant about the damage, spoilage of the item as soon as it becomes known to him, the right to compensation for the damage belongs to him is canceled.

Article 836. Lien right of hotel or restaurant owner

The owner of the hotel or restaurant has the right to lien on the guest's belongings specified in Article 831.1 of this Code for the guest's stay in the hotel, the services provided for his care and other services to meet his needs, including expenses incurred. In this case, the instructions applicable to the lien rights of the lessor of the living room are applied.

§4. Consignment warehouse storage

Article 837. Agreement on consignment warehouse

837.1. Consignment warehouse contract gives any entrepreneur (principal) the right to store (consignment goods) in the warehouse of another person (trader) who is engaged in inde

837.2. If no other rule follows from the following provisions of this paragraph of this Code, provisions on storage in the warehouse are applied to the storage of consignment goods, provisions on purchase and sale are applied to the consignee's taking of goods from the consignment warehouse.

Article 838. Duties of the merchant

838.1. The merchant must keep the consignment goods separate and identify them as the goods of the consignee.

838.2. When the consignment is sent to the warehouse, the merchant must check its quantity and integrity and immediately inform the customer of any visible defects. As soon as invisible defects are discovered, they must be notified immediately. If the merchant does not do this, it is considered that he has accepted the goods for storage.

838.3. In the event that defects are discovered in the consignment goods, the merchant must take necessary measures to protect the rights of the customer against the forwarder, carrier or insurance company.

Article 839. Responsibility of the merchant

839.1. The merchant is responsible as a broker for the storage of the goods.

839.2. The merchant has the right to insure the consignment goods against theft, burn or damage by a third party, and is obliged to do so at the customer's expense at the customer's request.

Article 840. Removal of goods from the consignment warehouse

840.1. As long as the consignment warehouse agreement is in force, the merchant has the right to take goods from the consignment warehouse in order to send goods to his customers within the scope of his normal commercial activities.

840.2. When the goods are taken from the consignment warehouse, the relationship between the customer and the merchant is regulated by the contract on the purchase and sale of the goods. The purchase price and other conditions of purchase and sale are based on the agreements between the participants, and the remaining issues are determined by this Code.

840.3. The principal may at any time revoke the merchant's authority to take the goods in and out of the warehouse, provided that he offers to take back the consignment stock immediately.

Article 841. Storage fee in consignment warehouse

No payment shall be made to the merchant for storage in the consignment warehouse unless otherwise agreed.

Chapter 46.

§1. Passenger transportation

Article 842. Passenger transportation contract

842.1. According to the passenger transportation contract, the carrier undertakes to deliver the passenger and his hand luggage from the place of departure to the destination by a certain mode of transport, and the passenger undertakes to pay the cost of transportation.

842.2. The passenger transportation contract is considered to be concluded from the moment the passenger receives a transport document (ticket) for passenger transportation from the carrier, or if the passenger has paid the fare, *is paid using a payment instrument*, or as a result of the passenger taking a seat in the vehicle with the consent of the carrier. [\[501\]](#)

842.3. If a different rule does not follow from this paragraph of this Code, instructions and conditions of carriage for international assignment contracts are applied to the passenger transportation contract.

Article 843. Price of passenger transportation

843.1. If no specific price has been set for the transportation, the tariff price of the transportation is applied. If there is no tariff, the usual fee charged for the corresponding part of the transportation in the vehicle is considered a conditional fee.

843.2. The cost of transportation must be paid at the request of the carrier, but no later than the moment the passenger disembarks from the vehicle.

Article 844. Replacing a passenger with another person

Until the beginning of transportation, the passenger can ask another person (third party) to participate in the journey instead of him. If the third party does not comply with the special requirements for participation in the carriage or is prevented by legal instructions from participating, the carrier may object to the third party's participation. The carrier may require the passenger to pay for the additional costs incurred in connection with the third party's journey.

Article 845. Cancellation of the passenger transportation contract before the transportation begins

845.1. At any time before the start of transportation, the passenger can declare that the contract is canceled.

845.2. Upon termination of the contract, the carrier loses the right to receive the stipulated fare. The passenger can demand reasonable compensation. The amount of compensation is determined by the cost of the trip, minus the cost savings of the carrier and the value of the income that can be obtained from the right of passage to another person.

845.3. A percentage of the cost of transportation may be specified in the contract as compensation for each mode of transport, taking into account the costs usually saved and the possible profit.

846.1. The carrier must carry out the transportation in accordance with the contract, the insurance policy, the regulations in force for the protection of passengers and the rules for the operation of passenger vehicles. If no special provisions in the contract of carriage, the usual conditions in force on that part of the ordinary modes of transport shall be deemed to be the agreed conditions. If the shipment does not meet these requirements, it is considered defective.

846.2. If the carriage is carried out with any defect, the passenger has the following rights if he is immediately notified the carrier about the defect and the carrier did not immediately eliminate the defect:

846.2.1. request a reasonable reduction in the cost of transportation;

846.2.2. to declare that the contract of carriage is canceled for the future if the carriage is significantly impaired by a defect or is not acceptable to the passenger on important grounds and the carrier is liable to the carrier due to this defect.

846.3. If the contract is canceled according to Article 846.2.2 of this Code, the passenger can leave the vehicle in the nearest place where he will not be exposed to danger. In this case, the carrier loses the right to receive the part of the stipulated value of the transportation corresponding to the unexecuted part of the transportation. If the provided transportation services are not of interest to the passenger, the result of the cancellation of the contract, the carrier loses the right to receive the residual value of the transportation.

846.4. If the carriage defect reported to the carrier was caused by circumstances for which the carrier is responsible, the passenger may request additional compensation for the damage caused by the non-performance of the carriage contract.

Article 847. Force majeure during passenger transportation

847.1. If the carriage is significantly impeded, endangered or deteriorated as a result of an event of force majeure which cannot be foreseen at the time of the conclusion of the contract of carriage and is not mutually related to the maintenance and operation of the vehicle and cannot be managed with reasonable care, the contract can be canceled by both the carrier and the passenger.

847.2. In case of cancellation of the contract, the passenger can leave the vehicle in the nearest place where he will not be exposed to danger, and the carrier loses the right to receive the part of the stipulated value of the transportation corresponding to the unexecuted part of the transportation. The participants of the contract bear half the additional costs for return transportation. The remaining additional costs are borne by the passenger.

Article 848. Payment of passenger's claims

According to Article 846 of this Code, the passenger must submit claims to the carrier no later than one month after the end of the transportation provided for in the contract. After the expiration of this period, the passenger can file claims only if he could not wait for that period through no fault of his own. If the carrier does not accept the passenger's claims, they are paid up to six months after the end of the carriage, provided that it has not been paid earlier by court order.

849.1. If legal or official regulations or international conventions apply to individual or all the services of the carrier and the right to compensation for damage according to these regulations arises or can be exercised only under certain conditions or restrictions, or in other conditions if it is excluded, the carrier can refer to those instructions in front of the passenger or fulfill them.

849.2. In all other cases, the carrier may, by agreement with the passenger, limit its liability to a certain number of times the value of the carriage, provided that the damage to the passenger is not caused intentionally due to gross negligence, or that the carrier is liable for the damage caused to the passenger as a result of the fault of another person not in his service.

§2. Cargo transportation

Article 850. Cargo transportation contract

850.1. According to the cargo transportation contract, the carrier undertakes to transport the cargo from the location to the destination in exchange for a fee (fee for cargo transportation), and the consignor, or the person authorized by them undertakes to pay the cost of transportation. [\[502\]](#)

850.2. Unless a different rule follows from the following provisions of this paragraph of the instructions on assignment are applied to the cargo transportation contract.

Article 851. Cargo shipper and cargo receiver . Carrier [\[503\]](#)

A shipper is a natural or legal person who is the initiator of transportation and on whose behalf the shipment of cargo is formalized. The shipper can be both the person to whom the cargo was sent for transportation, and the person to whom the cargo is sent (consignee). The consignee is a natural or legal person authorized to receive cargo on the basis of the contract. A carrier is a natural or legal person who carries out the transportation of cargo from the location to the destination on the basis of a contract and in exchange for a fee and has the right to own, lease or use vehicles. [\[504\]](#)

Article 852. Forwarder. Transport commissioner

852.1. A freight forwarder is a person who organizes the transportation of goods from the place of origin to the destination through third parties (carriers) on his own behalf, but at the expense of the shipper.

852.2. In relations with carriers, the freight forwarder has the rights and duties of the shipper.

852.3. The freight forwarder must follow the shipper's instructions. He chooses carriers at his own risk. If the freight forwarder carries out the transportation in whole or in part, he has the right to

protect the interests of the consignor and follow his instructions. He must inform the consignor of the difficulties encountered.

852.4. The freight forwarder has the right to be paid for his services and to be reimbursed for expenses incurred by the shipper. The freight forwarder's salary may include, in particular, the following:

852.4.1. interest rate on the amount of transporters' wages (commission wage);

852.4.2. and (or) payment for all transportation costs from beginning to end, including the transportation and freight forwarder's fees.

852.5. The freight forwarder is responsible for all deviations from the instructions of the consignor. The freight forwarder is also liable for the fault of the carriers, except in cases where he has shown due diligence in choosing the carriers.

Article 853. Necessary information and documents of the consignor [\[505\]](#)

853.1. The consignor must clearly indicate the following to the carrier:

853.1.1. the title of the cargo receiver;

853.1.2. place of delivery;

853.1.3. quantity, container, composition and gross weight of cargo spaces;

853.1.4. shipping time and mode of transportation;

853.1.5. in case of valuable objects - their value;

853.1.6. as well as in the case of special dangerous and potentially dangerous goods - the type of danger and the precautions to be taken in such cases.

853.1-1. *The shipper must submit the documents and other information related to the cargo to the carrier to ensure the proper execution of the cargo transportation contract.* [\[506\]](#)

853.2. The shipper pays for the damage caused by the absence and inaccuracy of these *invoices and documents*. [\[507\]](#)

Article 854. General

854.1. The cargo transportation contract and its implementation can be confirmed by a document drawn up in the form of a form (promissory note). Until proven otherwise, the carrier must provide the following:

854.1.1. contract between the consignor and the carrier;

854.1.2. acceptance of cargo by one or more carriers;

854.1.3. acceptance of the cargo by the consignee;

854.1.4. complaints or reservations declared by one of the contract participants;

854.1.5. the right of the consignor or consignee to dispose of the cargo;

854.1.6. the carrier's lien on the cargo.

854.2. The three originals of the invoice must bear the signatures or stamps of the consignor and the carrier. The first copy of the invoice is given to the consignor, the second copy accompanies the cargo, and the third copy is kept by the carrier.

854.3.2. the place and date of the receipt;
854.3.3. name and address of the consignor;
854.3.4. the name and address of the carrier;
854.3.5. location and date of download;
854.3.6. name and numbers of cargo spaces;
854.3.7. the cost of transportation (fees for freight transportation, additional costs);
854.3.8. special instructions of the consignor regarding the conditions of transport necessary.

854.4. If necessary, the following additional information can also be indicated in the invoice

854.4.1. prohibition of unloading cargo and loading it on other vehicles;
854.4.2. expenses accepted by the consignor at his own expense or advanced to the consignee;
854.4.3. the value paid by the cargo buyer to the carrier (the amount of payment added to the invoice to be executed when the cargo is delivered);
854.4.4. cost of cargo;
854.4.5. consignee's insurance policy;
854.4.6. terms stipulated for cargo transportation;
854.4.7. list of documents given to the carrier along with the cargo.

854.5. The shipper is responsible to the carrier for the accuracy and completeness of the information on the invoice.

854.6. If the consignor has provided incorrect or incomplete information provided for in 854.3.2, 854.3.4-854.3.8 or 854.4 of this Code, he shall be liable to the carrier for all related damage.

854.7. The cargo transportation contract is valid even if the invoice is not drawn up, or is drawn up incorrectly or incompletely, or is lost. The parties to the contract can prove the existence and content of the contract they stipulated on cargo transportation by any means of proof.

Article 855. Packing of cargo

855.1. The shipper must ensure that the cargo is properly packed. He is responsible for apparent and invisible defects of the packaging.

855.2. In turn, the carrier is responsible for the consequences of apparent defects that exist when the carrier unconditionally accepting the cargo for carriage.

Article 856. The right to dispose of cargo

856.1. As long as the cargo is still with the carrier, the consignor has the right to take back the cargo or change the place of delivery and the consignee, indemnifying the carrier for its costs and charges. These provisions do not apply in the following cases:

856.1.1. when it is determined that only the consignee has the power to dispose of the cargo under the cargo transportation contract or bill of lading;

856.1.2. when the first copy of the invoice is given to the consignee;

856.1.3. after the cargo arrives at the destination, the consignee requests the delivery of the cargo and the carrier gives the second copy of the bill of lading to the consignee;

856.2. In the cases stipulated in articles 856.1.1-856.1.4 of this Code, the carrier must unconditionally follow the instructions of the consignee. In the case stipulated in Article 856.1.4 of this Code, before cargo arrives at the destination, the carrier is obliged to do so only when a receipt for the received cargo is delivered to the consignee.

Article 857. Notification of cargo arrival

The carrier must immediately notify the consignee of the arrival of the cargo at the delivery.

Article 858. Obstacles during cargo delivery

858.1. If the cargo is not accepted or payments for the cargo are not made or the consignee is not identified, the carrier must inform the consignor about this and take the cargo into temporary storage at the consignor's risk and expense or give it to a third party for storage. If the consignor and consignee do not make the necessary arrangements for the cargo within a reasonable period taking into account the circumstances, the carrier, with the help of an expert, can sell the cargo to an authorized person, just like a commission agent.

858.2. If the cargo is perishable or its estimated value does not cover the costs, the carrier must without delay determine this fact with the help of an officially appointed expert and sell the cargo in the same manner as if there were obstacles to delivery. The participants are notified as soon as possible about the order to sell the cargo.

858.3. The carrier is obliged to protect the interests of the owner as much as possible during the execution of the powers given to him for cargo handling. If he violates these duties due to his negligence, he is responsible for compensation for the damage.

Article 859. Liability of the cargo carrier

859.1. If the cargo is lost or destroyed, the carrier pays its full value. If the cargo is not claimed within three months after acceptance for carriage by the carrier, it is considered lost unless otherwise.

859.2. In addition, the carrier is responsible for all damages caused by delay in delivery or total or partial destruction of the cargo.

859.3. If the carrier proves that the loss or destruction of cargo occurred as a result of the force majeure, the liability provided for in Articles 859.1-859.2 of this Code shall not apply:

859.3.1. the nature of the cargo or the direct destination of the vehicle, even if the risk is known;

859.3.2. fault or instruction of the consignor or consignee;

859.3.3. circumstances which could not have been avoided in the good faith of the carrier.

859.4. The carrier is also responsible if it carries out the transportation in whole or in part through another carrier. He has the right of recourse against the carrier to whom he has given the cargo for transportation.

859.5. All claims against the carrier are settled after the cargo has been unconditionally

859.5.2. if the claims are based on visible damage to the cargo, when the consignee discovers within the time possible and permissible for him, taking into account the circumstances, and notifies the carrier immediately after the discovery of the damage, but no later than eight days after delivery.

Article 860. Right of lien on cargo

860.1. The carrier has a lien on the cargo based on the carriage fee and reimbursement of expenses. The provisions of Article 182 of this Code apply to the acquisition of the right of lien on cargo, where the consignor is not the owner of the cargo, but the carrier is in good faith due to the fact that the consignor has the authority to dispose of the cargo, the right of lien on the cargo is obtained. [\[508\]](#)

860.2. If the carrier exercises his right of lien, delivery of the cargo can be requested on condition that a disputed amount is deposited in court. This amount replaces the charge on the shipper's lien.

860.3. *Removed.* [\[509\]](#)

Article 861. Claim periods during cargo transportation

861.1. Claims against the carrier expire after one year due to the expiration of the period from the day when the delivery should have been made if the cargo was destroyed, lost or damaged, or from the day it was handed over to the consignee if the cargo was damaged. The consignor may submit their claim at any time, provided that they have submitted their claim within one year and the claim does not lose its validity as a result of the acceptance of the cargo. Cases of intentional and gross negligence of the carrier are exceptions.

861.2. *The claim period for claims against the freight forwarder is one year from the moment the right to a claim arises. Before filing a lawsuit against the freight forwarder, it is mandatory to submit a written claim. A claim can be filed within the claim period. If the freight forwarder rejects or partially accepts the claim, or does not respond to the claim within 30 days, a lawsuit may be filed against him.* [\[510\]](#)

Chapter 47.

Provision of tourist services

Article 862. Agreement on provision of tourist services

862.1. According to the contract on the provision of tourist services, the organizer of these services undertakes to provide tourist services (tourist trip) to the user in total, and the tourist is obliged to pay to the organizer of tourist services a stipulated fee for the stipulated services.

862.2. The content of tourist services may include transport to one or more places covered by the tourist trip, as well as return to the place from which the trip began. However, provision of

862.2.2. accommodation in hotels;

862.2.3. sightseeing or attending cultural events at the destination.

862.3. The organizer of a tourist trip is any person who concludes a contract for the provision of tourist services. The organizer of the tourist trip can be the carrier himself or provide other services.

862.4. Articles 844, 845 and 847-849 of this Code shall be applied accordingly to the provision of tourist services.

Article 863. Organizer's liability for implementation of tourist trip and defects

863.1. The organizer of the tourist trip must carry out the trip in such a way that the trip is guaranteed and does not have defects that exclude or reduce the value of the tourist trip or its suitability for normal use or use according to the purposes of the contract.

863.2. In case of defects specified in Article 863.1 of this Code, Articles 846.2-846.4 of this Code shall be applied. However, cancellation of the contract is allowed only if the organizer of the tourist trip passed the reasonable time set by the participant to rectify the situation. If the situation is not rectified, or the organizer refuses to do so, or if the immediate termination of the contract would be in the special interests of the trip participant, it is not required to set a period.

Chapter 48.

Rent

§1. General provisions on rent

Article 864. Rent contract

864.1. According to the lease agreement, one party (the lessor) transfers the property to another party (the lessee), and the lessee undertakes to pay rent to the lessor from time to time in the form of a certain amount of money in exchange for the use of the property.

864.2. According to the annuity contract, it is allowed to determine the obligation to pay an annuity for an indefinite period (permanent annuity) or to pay it during the lifetime of the annuitant (life annuity).

Article 865. Form of rent contract

865.1. The rental contract is concluded in written form by drawing up a document signed by both parties.

865.2. In order to pay the rent, the rental agreement, which provides for the alienation of real estate, must be notarized.

The transfer of the right of ownership according to the lease agreement, which provide expropriation of real estate for the payment of rent, must be registered in the state register of real estate.

Article 867. Expropriation of property for payment of rent

867.1. For the payment of rent, the alienated property can be transferred to the property of payer for a fee or free of charge.

867.2. If the rent contract provides for the transfer of property in exchange for a fee, the rules on the purchase and sale of the relations of the parties on the transfer and payment of the property are and in the case of the free transfer of such property, the rules on the donation contract are provided that the rules of this chapter of this Code do not define a separate case and this , should not contradict the essence of the rental agreement.

Article 868. Encumbrance of immovable property with rent

868.1. Rent encumbers land, building, facility or other immovable property given for its payment. When the renter alienates such an item, his obligations under the rental contract are transferred to the acquirer.

868.2. The person who transferred the immovable property charged with rent to another person is subsidiarily liable with that person for the rentee's claims arising from the violation of the rental agreement, provided that this Code or the contract does not stipulate joint liability for this obligation.

Article 869. Ensuring rent payment

869.1. When a plot of land or other immovable property is given for the payment of rent, the lender acquires a lien on that property in order to secure the obligation of the rent payer.

869.2. An important condition of the contract providing for the provision of a sum of money or other movable item for the payment of rent is the condition that defines the duty of the guarantor to guarantee the performance of his obligations or to insure the risk of liability for the benefit of the lender in case of non-fulfillment or improper fulfillment of these obligations.

869.3. If the annuity payer fails to perform the duties stipulated in Article 869.2 of this Code as when the guarantee of the annuity conditions is lost or deteriorated due to circumstances for which the annuitant is not responsible, the annuitant has the right to cancel the rental agreement and claim compensation for the damage caused as a result of the cancellation of the agreement.

Article 870. Form and amount of rent

870.1. The rent is paid in the amount determined by the contract. In the rent agreement, it is stipulated that the rent will be paid by giving the property corresponding to its monetary value, performing works or providing services.

870.2. *The amount of the paid rent is increased in the cases and according to the procedure stipulated in the contract.*

Article 871. Permanent annuitant

871.1. Permanent renters can only be individuals, as well as non-profit organizations, provided this does not contradict the law and corresponds to the goals of their activity.

871.2. The rights of the renter under the permanent rent contract may be transferred to the specified in Article 871.1 of this Code by means of concession of the claim, and may be transferred in order of legal succession upon inheritance or when legal entities are reorganized, provided the contract does not provide for a separate rule.

Article 872. Periods of payment of permanent rent

Unless a separate term is provided in the fixed rent agreement, the fixed rent is paid at the end of each calendar quarter.

Article 873. The right of the payer to buy the permanent annuity

873.1. The permanent rent payer has the right to buy it.

873.2. Unless otherwise stipulated in the contract, the obligation to pay rent is not terminated when the renter receives the entire purchase amount.

873.3. The condition of the permanent rent agreement that the permanent rent payer has the right to purchase the rent is irrelevant.

873.4. The contract may provide that the right to purchase the perpetual annuity may be exercised during the life of the annuitant or during any other period.

Article 874. Purchase of permanent annuity at the request of the annuitant

874.0. The permanent annuitant may require the payer to purchase the annuity in the following cases:

874.0.1. if a separate period is not stipulated in the permanent rent agreement, if the renter delays its payment for more than one year;

874.0.2. when the rent payer violates his obligations to ensure rent payment;

874.0.3. when there are circumstances that clearly indicate that he will not pay the rent amounts and periods specified by the contract;

874.0.4. when the real estate given for the payment of rent becomes common property or is shared between several persons;

874.0.5. in other cases stipulated in the contract.

Article 875. Purchase price of permanent rent

875.1. In the cases provided for in Articles 873 and 874 of this Code, permanent rent is purchased

875.2. If there is no provision about the purchase price in the permanent rent contract, used as the basis for the transfer of the property in return for the payment of the permanent purchase payment is made at the price corresponding to the annual amount of the rent.

875.3. If there is no provision on the purchase price in the permanent rental agreement, used as the basis for the free provision of the property due to the payment of permanent purchase price includes the price of the given property in addition to the annual amount payments.

Article 876. Risk of accidental destruction or accidental damage to the property and payment of permanent rent

876.1. The renter bears the risk of accidental destruction or accidental damage to the thing free of charge for the payment of permanent rent.

876.2. In case of accidental destruction or accidental damage of the thing given in exchange for payment of permanent rent, the payer may request the termination of the obligation to pay and change the terms of its payment, respectively.

§3. Annuity for life

Article 877. Life annuitant

877.1. Life annuity can be determined for the period of health of the natural person who is the object for payment of rent or for the period of health of another natural person indicated by him.

877.2. It is allowed to determine the life annuity in favor of several natural persons, and if the annuity contract does not stipulate a different rule, their shares in the right to receive annuity are considered equal.

877.3. Unless otherwise stipulated in the life annuity contract, when one of the annuitants share in the right to annuity is transferred to the annuitants who live longer than ten. The obligation to pay the annuity is terminated when the last annuitant dies.

877.4. A contract defining a life annuity in favor of a natural person who is not alive at the conclusion of the contract is irrelevant.

Article 878. Life annuity payment periods

Unless otherwise specified in the life annuity contract, the life annuity is paid at the end of each calendar month.

Article 879. Termination of the life annuity contract at the request of the annuitant

879.1. When the annuitant materially breaches the life annuity contract, the annuitant may request the annuitant to purchase the annuity or terminate the contract and pay damages.

acement of its value with the purchase price of the rent if the renter significantly vio
contract.

Article 880. Risk of accidental destruction or accidental damage of the thing given payment of life annuity

Accidental destruction or accidental damage of the thing given for the payment of life annu
not release the rent payer from the obligation to pay the annuity under the conditions stipulate
life annuity contract.

Chapter 49.

Settlement Agreement and Abstract Agreement on Acknowledgment of Existing Debt

Article 881. Agreement on reconciliation agreement

881.1. According to the settlement agreement, the parties resolve disputes or unce
regarding rights or claims between themselves through mutual concessions.

881.2. The effect of a settlement agreement is that the reference to previously disputed or u
rights and claims is excluded under that agreement, and only what is established in the se
agreement is valid for the participants, regardless of their legal status. In the absence of a
agreement:

881.2.1. the reservation of security and preferential rights in respect of any claim, such as li
and security rights, remains in effect, provided that such claim is confirmed by a settlement agre

881.2.2. the effect of the settlement agreement does not apply to claims unknown to the par
agreement at the time of the settlement agreement.

881.3. No form is required to conclude a settlement agreement. However, if there are agree
the settlement agreement that require the expectation of any form, the agreement must be d
according to the form required for these agreements, except for cases where the settlement agre
drawn up in the form of a court protocol.

~~881.4. If the conciliation agreement was concluded in the form of a court protocol,
immediate proceeding is initiated for one of the participants of the notarized settlement agre
connection with certain claims of the other participant, then the proceeding can be carried out
the basis of the settlement agreement or on the basis of a legally binding court decision. [\[513\]](#)~~

881.5. If the parties to the contract are unable to implement legal relations or claims, esp
they are unable to implement them in connection with binding legal instructions, the se
agreement is void.

Article 882. Abstract agreement on acknowledgment of existing debt [KMO 26](#)

882.1. Any agreement providing for the acknowledgment of debt, as well as the acknowled

acknowledged debt. If a separate form is provided for the establishment of the obligation relating to the existence of which is acknowledged, such a form is also required for the acknowledgment. [\[514\]](#)

882.2. In the absence of other instructions provided for in this Code, no objection arising from the main contract can be raised against the claim based on the abstract contract for the acknowledgment of the existing debt.

882.3. At this time, Article 881.5 of this Code is applied. [\[515\]](#)

882.4. Articles 882.1-882.3 of this Code shall be applied accordingly to each contract (agreement) which provides for the acceptance of the performance of the obligation, or the acceptance of the promise in such a way as to give rise to the obligation.

882.5. If the debt is acknowledged based on settlement (payment) or by agreement, compliance with the form is not mandatory. [\[516\]](#)

Chapter 50. [\[5 1 7 \]](#)

Insurance

§ 1. General provisions on insurance

Article 883. Insurance and reinsurance contract

883.1. An insurance contract is an agreement that stipulates the terms of the insurer's obligation to pay the losses related to the risks to which the insured object may be exposed, the compensation for damage or the payment of the agreed amount of money based on the occurrence of a certain event in exchange for the payment of an appropriate insurance premium by the insured.

883.2. A reinsurance contract is an agreement in which the terms of transferring or sharing risks with the reinsurer all or part of the risks insured by the reinsured in exchange for payment of the reinsurance fee are determined.

Article 884. Subjects of insurance relations

884.1. Insurance relations are based on the transfer or distribution of risks in the field of property interests of the insured or the insured, life, health, civil liability, activities not prohibited by law, including entrepreneurial activity. [\[518\]](#)

884.2. Persons who are parties to an insurance or reinsurance contract, or who have rights and duties for the implementation of such a contract, are the subjects of insurance relations.

884.3. *The insurer is the party to the insurance contract who has the obligation to pay the insurance indemnity in the event of an insurance event provided for in the voluntary insurance contract in accordance with the law regulating the implementation of compulsory insurance types (hereinafter - compulsory insurance laws).*

884.4. *The insured is the party to the insurance contract who pays the insurance premium.*

884.5. The insured property interests are the person insured under the insurance contract. If another person is specified as the insured in the insurance contract for personal insurance, the insured and that other person are considered the insured at the same time. Regardless of whether another person is designated as the insured in the property insurance contract, recognition of the insured as the insured cannot be denied under any circumstances, including by the terms of the contract.

884.6. The beneficiary is the person to whom the insurance payment must be made according to compulsory insurance laws or the insurance contract. If no other person is provided as a beneficiary in the insurance contract, the insured and (or) the insured is considered the beneficiary. [\[520\]](#)

884.6-1. Any person who has an insurable interest in property damaged as a result of an insured event under property insurance is considered a victim, regardless of whether he is the owner of that property or not. [\[521\]](#)

884.6-2. A person whose health has been damaged as a result of an insurance event under insurance, and in case of his death, his family members are considered victims.

884.7. A reinsurer is a party to a reinsurance contract that reinsures (accepts to reinsure) the insured (reinsured) on the basis of insurance or reinsurance contracts concluded by the primary insurer or the primary reinsurer.

884.8. A reinsured is an insurer or reinsurer who reinsures (transfers to the reinsurer) the insured or reinsured on the basis of a reinsurance contract.

Article 885. Insurance areas

885.1. Insurance is divided into life insurance and non-life insurance (general insurance) in terms of the activities of insurers, and personal insurance and property insurance in terms of the object of insurance.

885.2. Each of the life and non-life insurance areas consists of insurance classes provided for in *Article 14 of the Law of the Republic of Azerbaijan "On Insurance Activity"*. [\[522\]](#)

885.3. Insurance classes belonging to the field of life insurance refer only to personal insurance according to the object of insurance.

885.4. Non-life insurance classes can be both personal and property insurance.

Article 885-1. Agrarian insurance system

Relations covered by the agricultural insurance system are regulated by this Code, "On Insurance Activity" and "On Agrarian Insurance" laws of the Republic of Azerbaijan. [\[523\]](#)

Article 886. Object of insurance and subject of insurance

886.1. The object of insurance is any non-legal property interest of the insured or the insurer.

886.2. Illegal interests, as well as interests that are legal but prohibited to be insured by law stipulated in the Criminal Code of the Republic of Azerbaijan, the Code of Administrative Offenses of the Republic of Azerbaijan and other laws, as well as interests related to participation in games, bets, and

Article 887. Object of private insurance

The objects of personal insurance are property interests related to life, health, labor capacity, pension provision of the insured or the insured. In the case of personal insurance, both the insured himself and another person specified in the contract (the insured) can be insured.

Article 888. Property insurance object

888.1. The objects of property insurance are property interests related to the insured's own property, its use and (or) disposal, implementation of entrepreneurial activity, injury to the life or health of other natural persons or compensation for damage caused to the property of natural persons, as well as to legal entities, industrial activity. Property insurance includes property and civil liability insurance.

888.2. During property insurance, risks related to property damage, loss (destruction) and well as loss of property rights are insured.

888.3. In the course of civil liability insurance, risks are insured due to liabilities arising as a result of damage to the life, health, or property of third parties (damage civil liability insurance), as well as liability arising in connection with civil-legal contracts (civil liability insurance due to breach of terms).

888.4. The insurance of mixed financial risks, credit risks, trade and investment risks, assignment and guarantee risks, court costs, as well as other risks related to property interests provided for in Article 888.1 of this Code is also referred to property insurance by its object.

Article 889. Insurance interest

889.1. Insurable interest is an interest based on the possibility of financial loss of a person in the event of an insured event, and on which his right to insure the insured object is based.

889.2. The existence of an insurable interest is recognized *by law or by a civil-legal contract* if there is no such recognizable relationship between *the person and the subject of insurance, the insurable interest is considered not to exist.*

889.3. There is an insurance interest related to the insured's own life, as well as the life of (husband), parents, children, employees, employer, debtor, guardian, and person under guardianship.

889.4. An insurance contract concluded without an insurable interest is invalid from the moment of its conclusion.

889.5. The possibility of obtaining the insurance interest in the future is not a basis for concluding the relevant insurance contract.

889.6. If the insurance interest is lost during the period of validity of the insurance contract, the insurance contract must be terminated.

889.7. If there is no insurance interest at the time of occurrence of an event or situation that is recognized as *an insurance event under property insurance*, that event or situation is not considered an insurance event and the insurer is released from the performance of its duties on insurance payment.

890.1. Reinsurance is the distribution of all or part of the risks insured or reinsured by the insured under the insurance contract with the reinsurer or transferred to the reinsurer ~~in accordance with the provisions of the insurance legislation.~~ [\[525\]](#)

890.2. The terms of reinsurance are determined by the reinsurance contract concluded in writing between the reinsurer and the reinsured.

890.3. All information specified for the guarantee certificate in Article 940 of this Code is specified in the reinsurance contract.

890.4. When the insurer or reinsurer reinsures the risks it insures (reinsured) under insurance contracts, the consent of the respective insureds or reinsureds is not required.

890.5. Reinsurance can be carried out in facultative or mandatory form, proportional or non-proportional types.

890.6. Proportional reinsurance is a type of reinsurance in which the obligation of the reinsurer to pay an insurance payment in the amount proportional to the insurance risk accepted under the reinsurance contract is determined in the event of an insurance event provided for in the insurance contract.

890.7. Non-proportional reinsurance is a type of reinsurance in which the obligation of the reinsurer to pay an insurance payment exceeding the personal capacity of the reinsured is defined in the event of an insurance event provided for in the relevant insurance contract.

890.8. Facultative reinsurance is a form of reinsurance that involves the reinsurance of risks based on its separate assessment.

890.9. Obligatory reinsurance is a form of reinsurance that provides for the reinsurance of risks that meet the conditions defined by the reinsurance contract.

Article 891. Liability of the insurer (reinsurer) to the insured (reinsured) under the reinsurance contract

891.1. Taking into account Article 891.2 of this Code, the insurer (the reinsured under the reinsurance contract) who reinsures the risks he insured under the insurance contract has full and direct obligations to the insured under that insurance contract.

891.2. The insurer is exempted from performing its duties under the relevant insurance contract to the extent that the reinsurer chosen by the insured's express written insistence is unable to fulfill his obligations.

891.3. Taking into account Article 891.4 of this Code, the reinsurer who re-insures the risks of the reinsured under the reinsurance contract bears full and direct responsibility to the reinsured.

891.4. If the reinsurer re-insures the relevant risks with the reinsurer chosen by the insured's explicit written insistence, he is exempted from fulfilling his duties under the relevant reinsurance contract to the extent that the second reinsurer cannot fulfill his obligations.

Article 892. The reinsurer's right to request documents

Article 893. Co-insurance

893.1. Co-insurance is the activity of several insurers insuring the insurance risks defined in the insurance contract at the same time by dividing the obligations for insurance payment, and the arising in this connection.

893.2. An insurance object can be insured by several insurers under one contract. This should contain terms that define the rights and obligations of each insurer based on the agreed shares.

893.3. One of the co-insurers can represent all co-insurers in the relationship with the insured whose liability to the insured is in the amount of his share.

893.4. An insurer that does not have a permit to operate under the relevant type of insurance cannot participate in co-insurance.

Article 894. Group insurance

894.1. During group insurance, several insurance items are insured with one insurance contract.

894.2. Group insurance can be carried out both on personal and property insurance.

894.3. In the case of group insurance related to personal insurance, the insured must furnish a document (list, etc.) confirming the proper familiarization of the insured with the insurance contract is an integral part of the insurance certificate. In the case of group insurance, when the insured is specified in the personal insurance contract or the insured property is mentioned individually in the property insurance contract, an insurance certificate can be issued to each insured person or each insured property according to the agreement between the parties.

894.4. In the case of group insurance, in a personal insurance contract where the identity of the insured is not specified, or in a property insurance contract where the insured property is not mentioned individually, the scope of the insured persons or the insured property in the property insurance contract must be specified to the extent that the insurance event, its consequences and the insurance to be paid on the subject of insurance to be able to individualize the amount of payment for each insured person or insured property.

Article 895. Double (multiple) insurance

895.1. *In the event that the property is insured against the same risks by two or more insurers (in the case of double or multiple insurance) at the time of the conclusion of the insurance contract, each of the insurers is liable proportionally, provided that it does not exceed its insurance amount provided for in the insurance contract concluded with it for the damage caused at the conclusion of the insurance contract. is liable proportionally, provided that it does not exceed its insurance value.* [\[526\]](#)

895.2. If the property is insured by the insured for an amount exceeding its true value base or more insurance contracts for the purpose of obtaining illegal income, each insurance contract concluded for this purpose is considered invalid from the moment of its conclusion. In this case, the policyholder's intention to obtain illegal income must be proved in a court of law.

896.1. If the insurance amount specified in the property insurance contract is less than the insurance value (in the case of partial insurance), the insurer pays for the loss in the ratio of the insurance amount to the insurance value, provided that the provision on partial insurance is reflected in the insurance contract.

896.2. In the case of complete destruction of partially insured property as a result of an insurance event when the insurance amount is paid in full, the right to the balance of the insurance subject is transferred to the insurer in the proportion of the insurance payment amount to the insurance value.

896.3. When an insurance event occurs, as provided in Article 930.1 of this Code, the insurance cannot be considered as partial insurance .

Article 897. Compulsory insurance

897.1. Compulsory insurance is required by compulsory insurance laws . [\[528\]](#)

897.2. If the person for whose benefit a compulsory insurance contract is to be concluded, but that person is not insured, he has the right to demand insurance from the person who has the duty to insure him. [\[529\]](#)

897.3. If the person who is required to provide compulsory insurance by the compulsory insurance laws fails to fulfill this duty or concludes the relevant insurance contract with conditions that worsen the condition of the insured compared to the conditions stipulated in those laws, the event that is recognized as an insurance event under the relevant compulsory insurance occurs, or the insurance event arises. The insurer is obliged to the insured at least to the limit of insurance coverage determined by the law on that compulsory insurance. [\[530\]](#)

897.4. Except for cases where different provisions are stipulated in compulsory insurance laws, the conditions arising from the implementation of compulsory insurance types are regulated by this Code and the Law of the Republic of Azerbaijan "On Insurance Activity". [\[531\]](#)

Article 898. Exemption amount and waiting period

898.1. The amount of conditional or unconditional exemption, as well as the waiting period, is determined in compulsory insurance laws and insurance contracts for voluntary insurance types.

898.2. Exemption amount is the part of the loss or damage caused by an insured event that is not covered by insurance coverage and remains on the insured. The exemption amount is deducted from the insurance amount determined in accordance with the insurance contract, and in the case of partial insurance, from the insurer's share of the loss amount.

898.3. If the amount of conditional exemption is provided, the amount of exemption is not applied if the amount of damage caused as a result of the insurance event exceeds that amount or if any other situation stipulated in the insurance contract occurs .

898.4. When the amount of unconditional release is provided, that amount is applied in each case.

898.5. If the waiting period is stipulated in the insurance contract, compensation for the loss is not paid until the expiration of the waiting period.

it, provided that the consequences of the insurance event continue for a period equal to or longer than that period.

898.7. When an unconditional waiting period is specified in the insurance contract, the insurance claim or insurance payment does not apply to losses incurred during the period of time that has elapsed since the occurrence of the insured event.

§2. The main requirements for the insurance contract

Article 899. Form of insurance contract

899.1. The insurance contract is concluded *in writing in any of the following forms* :

899.1.1. by drawing up and mutually signing a document called an insurance contract based on the relevant insurance rules;

899.1.2. by issuing an insurance certificate to the insured on the condition that the insured complies with the relevant insurance rules;

899.1.3. in other manner provided by compulsory insurance laws .

899.1-1. *The forms of the insurance contract provided for in Article 899.1 of this Code can also be concluded in the form of an electronic document.* [\[532\]](#)

899.2. In the case provided for in Article 899.1.2 of this Code, the risks for which the subject of insurance is insured must be specifically listed in the insurance certificate.

899.3. The insurer is responsible for non-compliance with Articles 899.1 and 899.2 of this Code.

Article 900. Contents of the insurance contract

900.1 In the case provided for in Article 899.1.1 of this Code, the following must be specifically included in the insurance contract:

900.1.1. name and address of the insurer;

900.1.2. the insured's name (in the case of a natural person, also the surname ~~and~~ patronymic, *personal identification number, and the TIN in the case of a legal person*) and address; [\[533\]](#)

900.1.3. the subject of insurance and its address, as well as the name of the insured (in the case of a natural person, as well as the surname, patronymic, date of birth , *personal identification number, TIN in the case of a legal entity*) and address; [\[534\]](#)

900.1.4. the name of the beneficiary (in the case of a natural person, also the surname, father's name, ~~and~~ date of birth , *personal identification number, in the case of a legal entity, also the TIN*) and address;

900.1.5. the amount of the insurance amount for each subject of insurance or its part, or for each individual insured;

900.1.6. the total amount of the insurance premium and the order of payment for each individual insured subject;

900.1.7. the period and area of validity of the insurance contract;

900.1.8. additions and changes to the insurance contract, as well as the procedure for termination.

- 900.1.10. the rules and grounds for issuing insurance payments;
 - 900.1.11. grounds for refusal to issue insurance payment;
 - 900.1.12. the responsibility of the parties for non-fulfillment or improper fulfillment of the insurance contract;
 - 900.1.13. dispute resolution procedure;
 - 900.1.14. other conditions, ~~which are not contrary to the law~~, determined on the basis of the agreement of the parties of the insurance contract ;
 - 900.1.15. signatures of the parties to the insurance contract, as well as seals in the case of an entity.
- 900.2 The procedure for concluding a compulsory insurance contract is determined by compulsory insurance laws .

Article 901. Insurance certificate

901.1. Except for the cases provided otherwise by the Law of the Republic of Azerbaijan "On Compulsory Insurance" , the insurer must provide the insured with a document confirming the conclusion of the insurance contract - an insurance certificate. This requirement applies even if the insurance contract is concluded in accordance with Article 899.1.1 of this Code.

901.2. If the insured under the contract is not the insured at the same time, the insurance certificate can be issued to the insured at the written request of the insured.

901.3. If the Law of the Republic of Azerbaijan "On Compulsory Insurance" and the insurance contract do not provide otherwise, the insurance certificate must be issued on the day of the first part payment of the insurance premium, and in the case of group insurance, within 3 working days from the first part or full payment of the insurance premium.

901.4. If the insurance certificate is lost or destroyed, the insured or the insured may request a duplicate from the insurer.

901.5. Within 3 working days from the date of receipt of the written request provided for in Article 901.4 of this Code, the insurer shall provide the insured or the insured with a duplicate of the insurance certificate at his own expense, unless otherwise provided for in the contract.

Article 902. Contents of the insurance certificate

902.1. The following must be stated in the insurance certificate:

902.1.1. name and address of the insurer;

902.1.2. the insured's name (in the case of a natural person, also the surname ~~and~~ patronymic, *personal identification number, and the TIN in the case of a legal person*) and address; [\[536\]](#)

902.1.3. the subject of insurance and its location, or the name of the insured (in the case of a natural person, also the surname, father's name, date of birth , *personal identification number, in the case of an entity, also the TIN*) and address; [\[537\]](#)

902.1.4. insurance risks;

902.1.5. insurance amount;

902.1.8. if there are other persons to whom the insurance contract applies (beneficiary, insured, agent and insurance broker), their name (in the case of a natural person, also the surname, patronymic, *personal identification number, in the case of a legal entity, also the TIN*) and address; [\[5\]](#)

902.1.9. signatures and (or) seals of the insurer certifying the insurance certificate, and the insurer familiar with the relevant insurance rules.

902.2. The insurance certificate must clearly state the name, address and phone number of the insured body in order to file a complaint *with the Central Bank of the Republic of Azerbaijan* in cases where the insured or the insured considers the rights of the insured to be violated under the insurance contract. [\[539\]](#)

Article 903. Insurance fee

903.1. The insurance fee is the amount of money that the insured must pay to the insurer in exchange for the acceptance or distribution of risks, as stipulated in the insurance contract.

903.2. The amount of the insurance fee or the procedure for its calculation and payment is determined by the insurance contract in the case of voluntary insurance, and *by the laws of compulsory insurance in the case of compulsory insurance.*

903.3. If the *Law of the Republic of Azerbaijan "On Compulsory Insurances"* does not provide otherwise, the insurance contract can be agreed to pay the insurance premium in installments.

903.4. Unless otherwise stipulated in the contract, the insurance contract comes into force upon the first part or full payment of the insurance premium.

903.5. If the insurance fee or its part is not paid on time, the insurer may set a period of days in writing for its payment, taking into account the requirements of Article 903.6 of this Code.

903.6. In any case, the insurance fee or its agreed first part must be paid no later than 1 month from the date of conclusion of the insurance contract.

903.7. *Payment of the insurance premium under the insurance contract in the form of an electronic receipt confirms the insured's familiarization with the relevant insurance rules and conditions of the insurance contract, his agreement with those rules and conditions, as well as the fact of concluding the insurance contract.*

Article 904. Insurance amount

904.1. The sum insured is the limit of the insurer's liability for the insured risks.

904.2. The insurance amount is determined *by the compulsory insurance laws and voluntary insurance laws* by the insurance contract.

Article 905. The fact that the value of the insured property is the subject of a dispute

The parties may not dispute the value of the property specified in the insurance contract, except in cases where it is proven that the insured intentionally provided false information to the insurer regarding the insured property.

906.1. Unless otherwise provided by the compulsory insurance laws or the voluntary insurance contract, in the event of the first part or full payment of the insurance premium, the period of insurance cover starts at four o'clock on the day of the conclusion of the insurance contract and, except for the cases provided by compulsory insurance laws, according to the insurance contract, the validity of that contract ends at two o'clock on the last day.

906.2. In the event of any event provided for in Articles 919.1.1-919.1.8 of this Code, from the occurrence of that event, and in the case provided for in Article 919.1.9 of this Code, at the end of the period determined by Article 920.2 of this Code the insurance coverage under the insurance contract is considered to have ended from the day of its expiry.

Article 907. Obligation of compulsory insurance contract

907.1. The person who is obliged to provide compulsory insurance by compulsory insurance law is obliged to conclude the relevant compulsory insurance contract by using the right to freely choose the insurer authorized to carry out the relevant type of compulsory insurance.

907.2. An insurer authorized to carry out compulsory insurance cannot refuse to conclude a compulsory insurance contract with a person who applies for insuring relevant risks and has an insurable interest.

907.3. The failure of the person who must insure as the insured, as well as the insurer, does not conclude the relevant compulsory insurance contract and does not release the insurer from the liability provided for in the Code of Administrative Offenses of the Republic of Azerbaijan.

Article 908. Invalidity of the insurance contract

908.1. In addition to the general grounds for the invalidity of contracts provided by this Code, an insurance contract is considered invalid from the moment of its conclusion in the following cases:

908.1.1. when the insurance object is related to the property to be confiscated according to the court's legally binding verdict (decision) of the court; [\[540\]](#)

908.1.2. when the insurance contract is concluded with persons who are not authorized to conclude a contract on behalf of the insurer or the insured;

908.1.3. if the subject of insurance does not exist at the time the insurance contract is concluded;

908.1.4. when the object of insurance is related to the illegal interests of the insured, as well as to the interests whose insurance is prohibited by law;

908.1.5. if the property is insured with one or more insurance contracts for an amount that exceeds its real value, in the part of the insurance amount that exceeds the insurance value;

908.1.6. in relation to those conditions when additional conditions not stipulated in the insurance rules and worsening the condition of the insured are included in the insurance contract;

908.1.7. when a person who does not have the right to engage in insurance activity or does not have permission to conduct the relevant type of insurance concludes the relevant insurance contract with an insurer (in this case, the paid insurance premiums are returned to the insured in full);

908.1.8. in the absence of an insurable interest.

908.2. The insurer cannot claim the invalidity of the insurance contract in order to refuse to

Article 909. Designation of the beneficiary

909.1. *When concluding an insurance contract, the insured has the right to designate any person (person) as a beneficiary, as well as to change it before the occurrence of an insured event. Beneficiary person(s) in insurance contracts applied as a condition of the pledge and leasing relationship may be appointed or changed with the consent of the pledgee or the lessor, respectively.*

909.2. In the mortgaged property insurance contract, the mortgagor can only be recognized as the beneficiary who has the right to receive payment to the extent of the debtor's (mortgagor's) debt at the time of insurance payment. The mortgagor (debtor) should be recognized as the beneficiary in the part of the loss that exceeds the amount of the debt.

909.3. An individual who insures his life can designate any person (persons) as a beneficiary in a relevant insurance contract.

Article 910. Written consent of the insured in private insurance contracts

In private insurance, when the insured is not the insured, the conclusion of the insurance contract is allowed on the condition that the insured (or his legal representative) is informed in writing before the proposal to conclude the contract in his favor.

Article 911. The duty to provide information when concluding an insurance contract

911.1. When concluding an insurance contract, the insured has the right to get acquainted with the financial results of the insurer's annual balance sheet and annual results of its activity, approved by an independent auditor.

911.2. When concluding an insurance contract, the insured must inform the insurer of the insured circumstances that are known to him, as well as those that the insurer requires in writing and that may influence the decision to refuse the contract or to conclude it in a modified form.

911.3. The insured, who has concluded an insurance contract with several insurers regarding the same insurance interest, must inform each of the insurers about this. The name of the other insurers and the corresponding insurance amount should be indicated in that information. Upon request, documents confirming this information must be submitted.

Article 912. The duty to inform about the increase of insurance risk

912.1. *The insured must inform the insurer or the insurance intermediary acting on behalf of the insurer about all changes that have occurred after the conclusion of the insurance contract regarding the cases reported in accordance with Article 911.2 of this Code.*

912.2. *It is the duty of the mortgagor or lessor, who is aware of those changes, to inform the insurer or the insurance intermediary acting on behalf of the insurer about the changes that occurred later in connection with the cases reported in accordance with Article 911.2 of this Code on the insurance contracts applied as a condition of the pledge and leasing relations.*

Article 913. The duty to introduce the terms of the insurance contract

When concluding an insurance contract, the insurer, insurance broker or insurance agent familiarize the insured with the conditions of compulsory insurance or the insurance rules on which a voluntary insurance contract is based. At this time, the insured should be given a memory sheet, drawn up in a style that is easily understood by everyone, reflecting how to act when a situation that is considered an insurance event occurs, and the legal grounds for the insurer to refuse insurance payment.

Article 914. Assessment of insurance risk

914.1. When concluding a property insurance contract, the insurer shall inspect the insured property to determine its physical and technical characteristics by various means, draw up schemes and drawings, take photos and video recordings, evaluate it and, if necessary, determine its true value in accordance with the Law of the Republic of Azerbaijan "On Insurance Activities". He has the right to appoint an independent expert, taking into account the requirements of Article 10.10.

914.2. The insurer evaluates the insured property, as well as the insurance risks, either directly himself or through a relevant person performing auxiliary activities in the field of insurance, or an independent expert, determined by taking into account the requirements of Article 10.10 of the Law of the Republic of Azerbaijan "On Insurance Activity".

914.3. When a private insurance contract is concluded, the insurer may request an examination of the insured person at his own expense or at the expense of the insured, depending on the terms of the insurance contract, in order to assess the current state of health of the insured person.

914.4. Independent experts appointed for insurance risk assessment and persons providing assistance in the field of insurance can use all the rights that the insurer has in this regard.

Article 915. Insurance rules

Insurance rules, which are a set of rules and conditions for that type of insurance, on which the type of insurance offered by the insurer is based, taking into account the requirements of this Code and the Law of the Republic of Azerbaijan "On Insurance Activity", by the insurer itself or in accordance with Article 1 of the Law of the Republic of Azerbaijan "On Insurance Activity" It is determined in another manner provided for in

Articles 1 and 16.6 . [\[541\]](#)

Article 916. Content of insurance regulations

916.1. The following must be defined in the insurance regulations:

916.1.1. insurance classes to which the relevant type of insurance belongs or are combined into a single type;

916.1.2. specific category of insurance subjects - insured persons, insured items or cases;

916.1.3. the procedure for determining insurance amounts;

916.1.6. the procedure for concluding an insurance contract, as well as making additional changes to it and terminating it;

916.1.7. the rights and obligations of the parties;

916.1.8. responsibilities of the insured when an insurance event occurs;

916.1.9. the procedure and conditions for insurance payment, a specific list of documents for issuing insurance payment;

916.1.10. grounds for refusal to issue insurance payment;

916.1.11. the period of making a decision on providing insurance payment or refusing to issue insurance payment;

916.1.12. the responsibility of the parties for non-fulfillment or improper fulfillment of the obligations under the insurance contract;

916.1.13. dispute resolution procedure;

916.1.14. insurance rates and their economic rationale.

916.1-1. *In addition to the issues stipulated in Article 916.1 of this Code, other issues stipulated by the Republic of Azerbaijan "On Agricultural Insurance" are also determined in the insurance rules for agricultural insurance.* [\[542\]](#)

916.2. *Exceptions and limitations stipulated in Article 916.1.5 of this Code can be included in the insurance coverage by agreeing in the insurance contract.*

Article 917. Additional requirements for life insurance contracts

917.1. A life insurance contract concluded under the condition that the insured participates in the insurer's profit must specify the profit distribution procedure.

917.2. Failure of the insured to provide information during the conclusion of the life insurance contract cannot be a reason for the insurer to refuse to perform its duties under the contract after the time has passed since the conclusion of the contract. In this case, if the insured has not performed its duties of providing information intentionally, the contract may be rejected.

Article 918. Conclusion of an insurance contract by drawing up a single insurance contract

918.1. According to the agreement between the insured and the insurer, insurance of different parts of the same property (goods, loads, etc.) continuously under similar conditions for separate parts may be carried out on the basis of a single insurance contract by drawing up a single insurance contract.

918.2. The insured must deliver the information agreed in the insurance contract about each part of the property specified in Article 918.1 of this Code to the insurer in a timely manner, and if the insured is not providing such information in the contract, immediately after obtaining the information. Even if it is known that the insurer will not pay the damages when the information is obtained, the insured is not exempted from fulfilling the duty stipulated in this article.

918.3. When requested by the insured, the insurer must issue an insurance certificate for each part of the property to which the contract referred to in Article 918.1 of this Code applies.

919.1.1. if the insurance subject no longer exists;

919.1.2. except for the following cases, when the insured natural person dies or the insured entity is dissolved:

919.1.2.1. If the insured natural person who has concluded a property insurance contract appointed any person to accept the insured property while concluding the insurance contract, or has changed it with the consent of the insurer before the occurrence of the insured event, if the insured natural person dies, his rights and obligations under that contract shall be transferred to the insured person specified *by this Code*. properly insured property passes to the recipient;

919.1.2.2. if other conditions are not defined *in the compulsory insurance laws* or in the contract, the rights and duties of the insured are transferred to the new owner, owner or user of the property, the subject of insurance with the consent of both him and the insurer formalized in the contract;

919.1.2.3. upon the death of the insured who concluded a life insurance contract for the benefit of another person, his rights and obligations are transferred to the person for whose benefit the insurance contract was concluded with his written consent;

919.1.2.4. if the insured legal entity is reorganized during the period of validity of the insurance contract, its rights and duties under that contract shall be transferred to the relevant legal successor ~~accordance with the legislation~~.

919.1.3. When the insured person who is not insured under the insurance contract dies, the insured objects to the proposal of the insured to be replaced by someone else;

919.1.4. If *the Law of the Republic of Azerbaijan "On Compulsory Insurances"* or the insurance contract does not provide for another case, when the insured property is expropriated, the insurer objects to the transfer of the insured's rights and duties to the new owner, owner or user of the property; or when the property is expropriated, if the insurer does not object to the transfer of the insured's rights and duties to the new owner, owner or user of the property, the insured under the insurance contract is not required to pay additional insurance premium ;

919.1.5. when there is no possibility of occurrence of the insured event and the existing insured risk ends due to circumstances not caused by the insured event;

919.1.6. when the insurer *fully* fulfills its obligations to the insured ;

919.1.7. if the insured does not pay the insurance premium in accordance *with the compulsory insurance laws or the insurance contract*;

919.1.8. if the insurable interest no longer exists;

919.1.9. *when the insured or the insurer makes a request for premature termination of the insurance contract*

919.2. During the period of validity of the insurance contract, if the insured was incapacitated by the court's decision, or if his capacity to act was limited by the court's decision, the liability insurance contract is considered to have been terminated from the moment the relevant court decision came into force, and in other cases, the rights and duties of such an insured are transferred to his guardian. or guardian performs.

Article 920. Failure to notify regarding premature termination of the insurance contract

920.1. In the cases specified in Article 919 of this Code, when the conditions for termination of the insurance contract arise, ~~taking into account Article 920.2 of this Code, the party interested~~

920.2. When the insurance contract is prematurely terminated at the request of the insured or the insurer in accordance with Article 919.1.9 of this Code, one party shall notify the other party at least 30 days in advance (60 days if the insurance contract was concluded for a period of more than five years, concluded for a period of less than 3 months and 5 working days before) he must send a notification justifying his request.

Article 921. Consequences of premature termination of the insurance contract

921.1. If the insurance contract (in the case of group insurance and in relation to any insurance subject of the contract) is prematurely terminated at the request of the insured, the insurer shall return the insurance premium under that contract (in the case of group insurance, which is proportional to the insurance premium relating to the insurance subject of the contract) returns the insurance premiums for that period after deducting the part of the costs of carrying out works from the part of the contract that is proportional to the unexpired term of the contract. If the insured's request for termination of the insurance contract is related to the insurer's failure to fulfill obligations under the insurance contract, the insurer returns the insurance premiums (in the case of individual insurance, as well as the insurance premiums paid for any insurance subject of the contract) to the insured.

921.2. If the insurance contract (in the case of group insurance, as well as in relation to any insurance subject of the contract) is prematurely terminated at the request of the insurer, the insurer shall return the insurance premiums (in the case of group insurance, as well as the insurance premiums paid for any insurance subject of the contract) shall be paid in full to the insured. If the insured's failure to fulfill his duties under the insurance contract, the insurer will return the insurance premiums for the unexpired term of the contract (in the case of group insurance, as well as the insurance premiums paid for any insurance subject of the contract) after deducting the costs of conducting work under that contract. In this case, the insurer may deduct from the returned part of the insurance premium the insurance contract (in the case of group insurance, which is proportional to the insurance premium relating to any insurance subject of the contract) the part of the costs of carrying out work, proportional to the unexpired term of the contract.

921.3. In the case of premature termination of the insurance contract (in the case of group insurance, as well as in relation to any insurance subject of the contract), if the insurance premium paid by the insurer to the insured until the moment of termination (in the case of group insurance, as well as the insurance premiums paid for any insurance subject of the contract) insurance premiums) if an amount of insurance premium equal to or more than that has been paid, the insurance premium (insurance premiums paid during the term of the insurance, as well as insurance premiums paid for any insurance subject of the contract) is not returned to the insured.

921.4. In the case of premature termination of the insurance contract, if the amount of insurance premium paid by the insurer to the insured (in the case of group insurance, as well as the insurance premiums paid for any insurance subject of the contract) up to the moment of termination, the insurer shall return to the insured the amount of the insurance premium. The insurance fee is returned to the insured in the amount of the difference between the amount, respectively, according to the procedure provided for in Articles 921.1 and 921.2 of this Code.

921.5. If the insurance contract is considered to have been terminated based on the court decision specified in Article 919.2 of this Code, the insurer shall pay the insurance premiums for the unexpired term of the contract.

tract), after deducting the costs of conducting work under that contract, 921.3 of this Code is paid to the legal representative of the insured, taking into account the requirements of Articles 921.4 and 921.6. When a moratorium is applied to the insurer in accordance with the Law of the Republic of Armenia "On Insurance Activity", the refund of the insurance premium due to the premature termination of the insurance contract is suspended during the period of the moratorium. [\[543\]](#)

§3. Insurance event and insurance payment

Article 922. Insurance event

922.1. An insurance event is an event or situation that occurs during the period of validity of an insurance contract, which is the basis for the payment of the insurance payment to the insured or other beneficiaries according to the *compulsory insurance laws or the insurance contract*.

922.2. The events and circumstances considered to be an insurance event are defined in the *compulsory insurance laws for compulsory insurance, and in the insurance contract based on the agreement of the parties for voluntary insurance*.

922.3. The insured event must have the probability of occurrence and (or) signs of randomness.

Article 923. Notification of an insurance event

923.1. Immediately after the insured or the insured person or the beneficiary learns about the occurrence of an insurance event, or within the shortest possible time, the insurer or its representative as well as any means to inform the competent state authorities about the event ~~in accordance with the law should report with a reasonable term and (or) method of notifying the insurer of an insurance event may be stipulated in the compulsory insurance legislation and the insurance contract~~.

923.2. If the insured or the insured person, who informed the insurer about the insurance event, as well as the beneficiary, has not notified the competent state authorities provided for in Article 923.1 of this Code, the insurer must immediately inform the said authorities about the event.

923.3. Regardless of whether the insured or the insured party informs the insurer about the occurrence of the insured event, the informed competent state body must notify the insurer.

923.4. Informing the insurer about the insurance event by any means by other persons, including the authorized state bodies and, in appropriate cases, the victim, except for the persons on whom a duty of informing is imposed in Article 923.1 of this Code, is considered to be the notification of an insurance event.

Article 924. Confirmation of insurance event

924.1. The insurer (or an appointed independent expert or a person providing assistance in the field of insurance) shall request from the insured the documents and information necessary for determining the insurance payment amount and (or) confirming the occurrence of the insurance event, taking into account the requirements of Article 923.1 of this Code.

uch events, as well as the results, regarding the events that can be considered an insurance event are required to be investigated or recorded in accordance with the law.

924.3. According to the written request of the insurer or its representative, the competent state body provide any information required in connection with the insurance event, the dissemination of which is prohibited by the Law of the Republic of Azerbaijan "On Obtaining Information" within 10 days from the receipt of the request.

Article 925. Damage assessment

925.1. The amount of damage caused as a result of the insurance event is determined by the insurer in the shortest possible time based on the insurance claim submitted by the insured, the insured beneficiary, or their representative.

925.2. The insurer shall cover the damage in various ways, including by determining the physical and technical characteristics of the damaged object or the place of the incident by various means, including drawing up schemes and drawings, by taking photos and video recordings, directly by himself or in accordance with Article 10.10 of the Law of the Republic of Azerbaijan "On Insurance Activity", taking into account the requirement of article 10.10, it evaluates through the relevant person who provides auxiliary activities in the field of insurance designated as a representative. The insurer must provide information on damage assessment (the amount of specific costs required to repair or restore each piece of damaged property) to the insured, the insured and the beneficiary in a paper carrier, as well as by e-mail or other electronic means of communication. [\[544\]](#)

~~925.3. The assessment of the loss caused by the insurance event by the insurer, as well as the assessment of the amount of the loss if the parties do not agree on the amount, is carried out by an independent expert, taking into account the requirements of Article 10.10 of the Law of the Republic of Azerbaijan "On Insurance Activity".~~ [\[545\]](#)

925.4. Independent experts appointed to investigate the insurance event and assess the damage to the persons providing auxiliary activities in the field of insurance can use all the rights that the insured has in this regard.

925.5. Under the property insurance contract, the insured, the insured or a third party must bring the damaged property to the insurer or its authorized representative immediately after the insurance event, except for the following cases:

925.5.1. Taking the necessary measures to prevent or reduce the amount of damage, to eliminate the consequences of the insurance event, or not to cause other complications, as well as not to leave the damaged property in an uncontrolled state that may lead to the possibility of further losses, to avoid hinder the actions or activities of other persons, and including if it is not possible to keep the damaged property in the condition immediately after the incident during the removal of the property from the scene of the incident with these purposes;

925.5.2. if the representative of the insurer does not inspect the damaged property within the time limit after the insurer is informed about the insurance event in the manner provided for in this Code;

925.5.3. in other cases, if there is a written consent of the insurer not to keep the damaged property in the condition immediately after the insured event.

rance contract.

Article 925-1. Damage assessment by an independent expert [\[546\]](#)

925-1.1. In accordance with Article 16.2 of the Law of the Republic of Azerbaijan "On Co Insurances" and Article 925.2 of this Code, assessment by the insurer of the loss caused by an insured well as assessment of the amount of loss if the parties do not agree on the amount, 10.10 of the Law of the of Azerbaijan "On Insurance Activities" It is carried out by a person who carries out independent expert , taking into account the requirements of Article

925-1.2. An independent expert is appointed by the insurer within 3 (three) working days after being from among three independent experts proposed by the insured, the insured or the beneficiary.

925-1.3. If the insurer does not appoint an independent expert within the period specified in Article of this Code, the insured, the insured or the beneficiary has the right to apply to an independent expert of for damage assessment.

925-1.4. In appropriate cases, if the insured, the insured or the beneficiary does not accept the result assessment of the damage by an independent expert in accordance with Article 925-1.2 of this Code, he may a re-evaluation of the damage in accordance with the procedure provided for in that article.

925-1.5. The independent expert must present the results of the damage assessment to the insurer, to the insured, the insured or the beneficiary, if applicable.

925-1.6. The cost of damage assessment shall be paid by the following persons:

925-1.6.1. when an independent expert is appointed in accordance with Articles 925-1.2 and 925-1 Code - the insurer;

925-1.6.2. when an independent expert is appointed in accordance with Article 925-1.4 of this Code person requesting re-evaluation.

Article 926. Insurance payment

926.1. Insurance payment is the financial compensation paid by the insurer in accordance compulsory insurance laws or the insurance contract when an insured event occurs .

926.2. The insurer makes the insurance payment within the limit of the insurance amount.

926.3. The procedure for determining and paying the amount of the insurance payment determined by the compulsory insurance laws in the case of compulsory insurance, and by the insurance contract concluded according to the relevant insurance rules in the case of voluntary insurance .

926.4. When several victims are identified as a result of an insurance event, any one of them who a insurance, taking into account the requirements of Article 927.3 of this Code, is recognized as a beneficiary.

Article 927. Additional requirements for insurance payment for property insurance

927.1. In property insurance and civil liability insurance for damage to property, the insurance payment cannot exceed the amount of real damage caused to the insured or the insured, as well as injured third party, as a result of the occurrence of the insured event.

927.2.1. payment of the amount of damage in the form of money to the beneficiary;

927.2.2. payment of the value of the services provided to the insured (the insured or the beneficiary) or the value of the sold items to the service provider or the seller in order to eliminate the damage caused as a result of the insurance event;

927.2.3. repair or restoration of property that is the subject of insurance or belongs to a third party;

927.2.4. if provided for in the insurance contract, changing the property that is the subject of insurance based on the conditions defined in that contract.

927.3. *With the exception of the case provided for in Article 927.5 of this Code, an insurance payment in excess of the amount payable by the debtor (mortgagor) under the debt (credit) contract shall be made to the mortgagor who is the beneficiary on the date of the insurance event of the mortgaged property.*

927.4. *If the beneficiary of the property insurance was the trustee of the property at the time of the insurance event, the forms of insurance payment provided in Articles 927.2.3 and 927.2.4 of this Code shall be applied. The forms of insurance payment provided for in Articles 927.2.1 and 927.2.2 of this Code shall be applied if the forms of damage elimination are submitted to the insurer by the beneficiary who is the trustee of the property.*

927.5. *In the event of an insurance event resulting in the complete destruction of the pledged property, the pledged debtor (pledger) who is the beneficiary, as provided for in the insurance contract, has the right to receive an insurance payment in the unpaid part of the debt determined under the loan (credit) contract.*

Article 928. Insurance payment for personal insurance

The insurance payment for personal insurance must be paid to the person who has the right to receive it, regardless of the payments provided for social insurance, as well as compulsory or voluntary insurances, in the manner specified in the compulsory insurance laws or the insurance contract.

Article 929. Deduction of insurance premium from insurance payment

During the payment of the insurance payment, the insurer has the right to deduct from the amount of the insurance payment the amount of the overdue or delayed insurance premium due to the insured.

Article 930. Reduction of the insurance amount according to the insurance payment

930.1. *Unless otherwise stipulated in the compulsory insurance laws or in the insurance contract, the insurance amount specified in the insurance contract is considered to be reduced by the amount of the insurance payment given under that contract, but the guarantee under the insurance contract is not considered to be reduced. If the compulsory insurance laws do not provide otherwise, then it is not necessary to make changes to the insurance contract regarding the reduction of the insurance amount.*

930.2. In the case provided for in Article 930.1 of this Code, according to the reduced payment of the insurance amount, the insurance amount specified in the insurance contract can be restored by paying an additional insurance fee.

Article 931. Advantage of compulsory insurance payment

losses arising from one insurance event. At this time, the insurer who has concluded a voluntary insurance contract can fulfill its obligations to the insured (insured or beneficiary) before the insurer who has concluded a compulsory insurance contract.

Article 932. Postponement of the decision on insurance payment [\[547\]](#)

~~If an administrative offense case or a criminal case is initiated against a third party under a liability insurance in connection with an event that can be considered an insured event, and cases against the insured or the insured due to the occurrence of that event, the insurer shall make a decision on whether to issue the corresponding insurance payment or not after the final decision of the authorized body on this case.~~

Article 933. Grounds for issuing insurance payment

933.1. Insurance payment is made *if each of the following is present* : [\[548\]](#)

933.1.1. in the event of an insurance event, the insurance claim addressed to the insured or the insured, the insured or the beneficiary ~~within the period stipulated in the insurance contract,~~ [\[549\]](#)

933.1.2. ~~in accordance with the legislation~~ regarding the event that can be considered an insured event, if any state body must be informed, the relevant document submitted by that body a [\[550\]](#)

933.1.3. other documents required for issuing insurance payment provided by compulsory insurance laws and relevant insurance regulations. [\[551\]](#)

933.2. Article 933.1.1 of this Code does not apply to insurance events under the medical insurance class.

933.3. *In the cases specified in the Law of the Republic of Azerbaijan "On Compulsory Insurance the document stipulated in Article 933.1.2 of this Code is not required. Except for the cases where there is damage to health, if the amount of damage caused as a result of an insured event under a voluntary insurance contract is less than the limit set for this purpose in the relevant insurance rules, and if the insurer does not have any reasonable doubts about the reasons for the occurrence of the insured event and the distortion of the document stipulated in Article 933.1.2 of this Code may not be required for payment.* [\[552\]](#)

Article 934. Issuance of insurance payment [\[553\]](#)

934.1. *The insurer shall pay the insurance payment no later than 7 working days after the last day of the documents provided for in Article 933.1 of this Code (taking into account Article 933.3 of this Code) is received by the insurer, or notify the insured, the insured or the beneficiary in writing about the refusal to pay the insurance payment. must provide a reasoned notice.*

934.2. *If the insurer does not pay the insurance payment within the period specified by the code*

Article 935. Grounds for refusing insurance payment

935.1. If the Law of the Republic of Azerbaijan "On Compulsory Insurance" does not provide otherwise, the insurer refuses to provide insurance payment in the following cases:

935.1.1. as a result of non-compliance with the requirements of Article 923.1 of this Code, the insured is deprived of the opportunity to determine whether the event is an insured event;

935.1.2. In addition to cases excluding the liability stipulated in this Code, the Code of Administrative Offenses of the Republic of Azerbaijan and the Criminal Code of the Republic of Azerbaijan, the inaction or inaction of the insured, in appropriate cases, the victim aimed at the occurrence of the event, as well as the intentional commission of a crime that is directly causally related to the event;

935.1.3. that the occurrence of the event is the result of military operations or measures of a nature, when the insurance of military risks is not provided for by the contract or compulsory insurance laws;

935.1.4. if the insured is able to take the necessary and possible measures to prevent or reduce the amount of damage to the insured property, he intentionally fails to take those measures; in this case, insurance payment can be refused to the extent that if the insured had taken possible measures, the amount of damage would have been reduced by that amount;

935.1.5. failure to comply with Article 925.5 of this Code regarding the presentation of the damaged property to the insurer completely or partially deprives the insurer of the opportunity to determine the extent of the damage;

935.1.6. taking into account Article 935.2 of this Code, from the possibility to assess the risk of the insurer, as well as to determine the causes of the insured event and (or) the extent of the damage as a result of the insured's intentionally providing false information to the insurer as a subject of insurance, as well as the insured person and (or) the insured event total or partial depreciation;

935.1.7. that the insured, the insured or the beneficiary of the property insurance does not receive compensation for the damage in full from the person who is guilty of causing the damage; if the insured has partially paid the compensation for the damage, the insurance payment is waived in the amount of the paid amount.

935.1.8. that the incident is not considered an insurance event according to the compulsory insurance laws or the insurance contract;

935.1.9. 15 days after the end of the period for payment of the next part of the insurance premium for in the contract, and in the case provided for in Article 903.5 of this Code, 3 days after the end of the period determined by the insurer, if the relevant part of the insurance premium has not been paid in the event of an insurance event;

935.1.10. in other cases stipulated by compulsory insurance laws.

935.2. When the inaccuracy of the information provided for in Article 911.2 of this Code is known to the insurer at the time of concluding the insurance contract, or the insured is not guilty of providing incorrect information, as well as when the insurance contract is concluded despite the insured not responding to the requested information, the insurer provides false information or requests to refuse to issue the insurance payment. cannot be based on the fact that the information was not provided.

935.3. In the cases defined in Article 935.1.5 of this Code, the insurer may not refuse the insurance payment in the amount proven by obvious facts, even if it is completely or partially deprived of the opportunity to determine the extent of the damage.

intentional action or inaction of the beneficiary who is not considered insured and (or) insured in an insurance contract. when it happens, that beneficiary loses the right to receive the insurance payment.

Article 936. Right of subrogation

936.1. Taking into account Article 936.6 of this Code, the right of subrogation is the right of the insurer who paid the payment to use the rights and remedies of the person who received the insurance payment against the third party responsible for the damage caused to him. [\[555\]](#)

936.2. The right of the beneficiary to pay compensation for the damage against the injured person is transferred to the insurer who paid the insurance payment for property insurance in the amount of the insurance payment given by him in the order of subrogation.

936.3. When the beneficiary receives the insurance payment, he must provide the insurer with the necessary documents to exercise the right of subrogation.

936.4. If the beneficiary refuses to claim against the injured person or the rights to satisfy a demand, or to provide the necessary documents to the insurer, the insurer is exempted from paying the insurance payment to the extent of the amount that it can receive from the injured person in the order of subrogation.

936.5. The insurer may use the right of subrogation against the injured person himself or against the insurer who has insured the liability of that person for the risks related to the insurance event, as well as against another person who may be financially responsible for the damage caused to the insured or the beneficiary ~~under the law~~. [\[556\]](#)

936.6. The right of subrogation does not apply in cases related to life insurance classes and accident insurance.

§4. Insurance mediation

Article 937. Participation of insurance intermediaries in insurance relations

937.1. The insurance (reinsurance) contract can be concluded between the parties both directly and indirectly using the services of insurance intermediaries - insurance agents or insurance brokers. *The agent in an agricultural insurance contract is concluded by using the services of intermediary agricultural insurers defined by the Law of the Republic of Azerbaijan "On Agricultural Insurance".* [\[557\]](#)

937.2. The insurer may use the intermediary services of an insurance agent acting on his behalf to perform the following insurance operations by concluding an assignment contract: [\[558\]](#)

937.2.1. conclusion of insurance contracts and conducting related deals;

937.2.2. conducting negotiations regarding the continuation or renewal of the insurance contract;

937.2-1. *The engagement contract for mediation service concluded between the insurer and the insurance agent should reflect the following:* [\[559\]](#)

937.2–1.3. *if the insurance agent is a natural person, his name, patronymic, surname, place of residence, card series and number, license series and number, and TIN;*

937.2–1.4. *if the insurance agent is a legal entity, its name, location, license series and number, head of the executive body if he is exclusively engaged in the activity of an insurance agent, and if the main activity is another type of activity, along with the head of the executive body, "On Insurance Activity" Azerbaijani name, surname and patronymic of employees who have passed the attestation prescribed by the Law of the*

[\[560\]](#)

937.2–1.5. *the subject of the engagement contract;*

937.2–1.6. *the list of types of insurance that the insurance agent will offer to customers;*

937.2–1.7. *the amount of the commission fee to be paid to the insurance agent under the assignment*

937.2–1.8. *rights and obligations of the parties;*

937.2–1.9. *liability of the parties for breach of contract terms;*

937.2–1.10. *territory where the assignment agreement is valid;*

937.2–1.11. *the period of validity of the assignment agreement;*

937.2–1.12. *requisites of the parties.*

937.3. *An insurance broker can mediate on the basis of an engagement contract in the field of insurance operations by representing the insured (re-insured) in relations with the insurer (re-*

[\[561\]](#)

937.3.1. *conclusion of insurance (reinsurance) contracts and conducting related deals;*

937.3.2. *conducting negotiations regarding continuation or renewal of insurance (reinsurance) contracts;*

937.3.3. *implementation of insurance (reinsurance) contracts, including negotiations on insurance (reinsurance) requirements and insurance payments and (or) providing advice.*

Article 938. Conclusion of insurance or reinsurance contracts through insurance mediation

938.1. *When an insurance contract is concluded through an insurance agent, the insured can sign the contract on behalf of the insurer only on the basis of the written authorization of the insurer.*

938.2. *When the insurance (reinsurance) contract is concluded through an insurance broker, the contract can be signed by the insurer and the insured or by the insurance broker based on the written authorization of the insured (reinsured).*

938.3. *When an insurance (reinsurance) contract is concluded through an insurance intermediary, the name, (if a natural person, also the surname) and address of the insurance agent or insurer must be specified in that contract.*

938.4. *In accordance with Article 911.2 of this Code, the insurance intermediary informed about any claims that occurred after the conclusion of the insurance contract must deliver that information to the insurer*

day from the date of receipt. [\[562\]](#)

Article 938-1 *Information that the insurance intermediary must disclose to the insured*

938–1.0. Before concluding, renewing or making changes to each insurance contract concluded through the insurance intermediary, the insurance intermediary must provide the insuring person with at least the following information:

938–1.0.1. his name and place of residence (for legal entities - location);

938–1.0.2. the register in which it is entered and the methods of obtaining information about it from the register;

938–1.0.3. whether he is in a shareholder, related person or dependent company relationship with the person proposed as a party to the insurance contract ; [\[564\]](#)

938–1.0.4. the right and procedure to file a complaint with insurance intermediaries, as well as the conditions and means of filing a complaint;

938–1.0.5. carrying out insurance intermediation on the basis of his obligations under the insurance contract concluded with one or more insurers (by providing objective information about the name, address and position of those insurers in the insurance market) or without such a contract;

938–1.0.6. guarantees provided on the basis of the types of insurance according to the demand and conditions of the insurer.

Article 939. Provision of documents by the insurance broker to the parties of the insurance contract

939.1. The insurance broker shall provide the insured with a copy of the contract and relevant insurance certificate within 3 days from the date the last of the parties signed the insurance contract concluded through him, and if this is not possible, until the copy of the relevant insurance contract or the insurance certificate is issued to the insured, which is valid until the delivery of the relevant insurance contract or the insurance certificate to the insured, 940- of this Code provide with the security certificate provided for in Article c.

939.2. The insurance broker must provide the reinsured with a copy of the relevant reinsurance contract or the security certificate stipulated in Article 940 of this Code within 10 days from the signing of the reinsurance contract concluded by the last of the parties.

939.3. An insurer (reinsurer) who accepts or shares risks under an insurance (reinsurance) contract concluded through an insurance broker may request any information from the insurance broker regarding that contract.

Article 940. Security certificate

940.1. The insurance certificate is a document issued by the insurance broker to the reinsured (reinsured) and confirming the placement of insurance risks.

940.2. The following must be stated in the security certificate:

940.2.1. the full name and address of the insurer (reinsurer) who accepts or shares the risks of the insurance (reinsurance) contract;

940.2.2. full name and address of the insured (re-insured);

940.2.5. the amount of the insurance (reinsurance) amount corresponding to the insurance risk accepted or shared by the insurer (reinsurer) for each subject of insurance or its for individual risks in relation to each insured;

940.2.6. the total amount of the insurance (reinsurance) fee and the order of payment insurance subject.

940.3. When the insurance risk is placed with several insurers (reinsurers), the information stipulated in Articles 940.2.3-940.2.6 of this Code must be indicated separately for each (reinsurer).

Article 941. Participation of insurance intermediaries in the payment of insurance premium insurance payments

941.1. An insurance agent can accept insurance premiums on behalf of the insurer based on written authorization.

941.2. When the insurance (reinsurance) contract is concluded through an insurance broker, the insured (reinsured) shall pay the insurance (reinsurance) fee to the insurer (reinsurer) directly, or through the insurance broker, depending on the mediation service agreement concluded between the insured (reinsured) and (or) the insurer (reinsurer). The fee can be paid through

941.3. The insurance (reinsurance) fee is considered paid under the relevant insurance (reinsurance) contract from the moment it is received by the insurance broker.

941.4. The insurance broker keeps the funds paid to him as an insurance (reinsurance) fee in the form of an "insurance fee account" in a bank account separate and distinct from other accounts for the purpose of payment to the insurer (reinsurer) and cannot use these funds for other purposes. [\[566\]](#)

941.5. The insurance intermediary who has accepted the insurance fee must transfer the full amount to the appropriate bank account of the respective insurer within 5 working days from the date of acceptance. The insurance broker who has accepted the reinsurance fee must transfer it to the relevant bank account of the reinsurer in the period and in the manner agreed with the reinsurer. For failure to transfer the insurance (reinsurance) fee to the insurer (reinsurer) within the periods specified in the first and second sentences of Article 941.5 of this Code, the insurance intermediary shall pay a fine of 0.1 percent of the amount not transferred for each delayed day.

941.6. The amount of the commission determined according to the relevant contract between the insurance broker and the reinsurer may be deducted from the reinsurance fee during the transfer of the reinsurance fee in accordance with Article 941.5 of this Code. [\[566\]](#)

941.7. The insurance broker keeps the funds paid to him by the insurer (reinsurer) in connection with insurance payments in a bank account defined as "insurance payment account", which is separate and different from other accounts, for the purpose of transfer to the insured (reinsured) or beneficiary, and these funds are used for other purposes. can't.

941.8. The insurance broker must transfer the funds stipulated in Article 941.7 of this Code to the relevant insured (re-insured) or the beneficiary no later than 3 days from the date of receipt of the insurance payment.

Article 942. Subsidiary liability of insurance intermediaries to the insured or reinsured

Due to the insurance or reinsurance contract concluded with a person who does not have for insurance or reinsurance activity, or an insurance contract concluded with an insurer who have a permit to conduct the relevant type of insurance, as well as due to non-compliance with 941.5 and 941.8 of this Code. due to violation of the interests of the insured (re-insured), subsidiary obligation as an insurer (re-insurer) to perform the duties provided for the insurer in that insurance (re-insurance) contract.

Chapter 51.

Bank deposit

Article 943. General provision on bank deposit

The rules of this chapter of this Code relating to banks are also applied to other credit organs that accept deposits (deposits) from legal entities and to the national operator of postal communication.

Article 944. Bank deposit agreement

944.1. According to the bank deposit (deposit) contract, one party (bank) accepts the amount of money (deposit) received from another party (depositor) or for another party (beneficiary) and undertakes to return the deposit amount to the depositor and pay interest for it under the terms and conditions stipulated in the contract.

944.2. The rules on the bank account agreement are applied to the relations between the bank and the depositor on the account where the deposit is made, provided that no special case is provided for in the provisions of this chapter of this Code or no special case arises from the nature of the bank deposit agreement. [\[567\]](#)

Article 945. The right to attract funds to deposits

945.1. Banks and the national operator of postal communication have the right to attract deposits in accordance with a special permit (license) issued in accordance with the law. [\[568\]](#)

945.2. When a deposit is accepted from an individual by a person who lacks the right to accept deposits, or in violation of the rule established by law, or banking rules adopted in accordance with the law, the depositor may demand the immediate return of the deposit amount, as well as the payment of interest for it, and in addition, compensation for all damages caused to the depositor. When such a person accepts funds from a legal entity based on the terms of a bank deposit agreement, such an agreement is [\[569\]](#) invalid.

945.3. If the law does not specify a separate rule, the consequences provided for in Article 945.2 of this Code are also applied in the following cases:

945.3.1. when the funds of individuals and legal entities are attracted by selling shares and

cising other rights provided for in the rules of this chapter of this Code.

Article 946. Form of bank deposit agreement

946.1. The bank deposit agreement is concluded in written form. The written form of the deposit agreement is considered to have been complied with if the deposit is made with a bank or deposit certificate or other document issued by the bank to the depositor, which itself meets the requirements provided for such documents in the law, banking rules defined in accordance with and to be confirmed with a document that corresponds to the business circulation customs and banking practice. [\[570\]](#)

946.2. Failure to comply with the written form of the bank deposit agreement leads to the invalidity of this agreement. Such a contract is irrelevant.

Article 947. Types of deposits

947.1. A bank deposit agreement is concluded on the condition that the deposit is given on demand (demand deposit) or on the condition that the deposit expires after the period specified in the contract (term deposit). The contract may provide for depositing deposits with other terms of return that are not against the law.

947.2. According to any type of bank deposit agreement, the bank must pay at least a quarter of the deposit immediately upon the depositor's first request, and the rest within five days at the latest, except for deposits made by legal entities with other terms of return stipulated in the agreement. The condition of the contract that the natural person waives the right to receive the deposit on first demand is irrelevant. [\[571\]](#)

947.3. With the exception of a demand deposit, when a term or other deposit is returned to the depositor at the request of the depositor until the end of the term or until special circumstances specified in the bank deposit agreement occur, the interest on the deposit is paid in the amount corresponding to the amount of interest paid by the bank on demand deposits, provided that the contract stipulates a separate amount of interest that doesn't get caught.

947.4. In cases where the depositor does not demand to return the amount of the term deposit at the expiration of the term or after the occurrence of the circumstances provided for in the contract, the contract is considered to be extended under the terms of the demand deposit, provided that the contract does not stipulate a different rule.

Article 948. Interest on the deposit amount

948.1. The bank pays interest to the depositor in the amount determined by the bank deposit agreement for the amount of the deposit. If there are no conditions on the amount of interest paid in the contract, the bank must pay interest in the amount determined in accordance with Article 449 of the Code.

948.2. If the bank deposit agreement does not stipulate a different rule, the bank has the

rest to the depositors after one month has passed from the moment of this information, if that the contract does not stipulate a different rule.

948.3. The amount of interest for the deposit specified in the bank deposit agreement cannot be unilaterally reduced by the bank if the natural person leaves the deposit with the conditions specified in the contract after a certain period of time or when the circumstances stipulated in the contract occur otherwise specified in the contract, the amount of interest on such a bank deposit agreement concluded by the bank with a legal entity cannot be unilaterally changed.

Article 949. The procedure for calculating and paying interest on the amount of the deposit

949.1. Interest on the amount of a bank deposit is calculated from the day after the day the deposit is received in the bank until the day before the amount is returned to the depositor or removed from the depositor's account on other grounds. This rule does not apply to overnight deposits.

949.2. Unless otherwise specified in the bank deposit agreement, the interest calculated on the amount of the bank deposit is paid to the depositor separately from the amount of the deposit on request after the end of each quarter, and the unclaimed interest during that period increases the amount of the deposit on which interest is calculated. When the deposit is returned, all interest accrued up to that date is paid.

Article 950. Ensuring the return of the deposit

950.1. Banks must ensure the return of deposits of individuals through compulsory insurance in cases provided by law, by other methods. ~~The return of the deposits of natural persons by the banks in which more than fifty percent of the shares or shares in the charter capital belong to the Republic of Azerbaijan or municipalities, in addition, for the demands of the depositor against the bank, a guarantee is provided with their subsidiary responsibility in accordance with Article 453 of this Code.~~ [\[572\]](#)

950.2. The methods of returning deposits of legal entities by the bank are determined by the bank deposit agreement.

950.3. When concluding a bank deposit agreement, the bank must inform the depositor and ensure the return of the deposit.

950.4. If the bank fails to perform the duties stipulated in the bank deposit agreement to ensure the return of the deposit, as well as if the guarantee for the return of the deposit is lost or its conditions deteriorate, the depositor must immediately return the deposit amount from the bank, pay in the amount specified in accordance with Article 948.1 of this Code, and compensate for the damage caused, may require.

Article 951. Deposit of funds by third parties to the depositor's account

If the bank deposit agreement does not provide for a different rule, the funds received from third parties in the name of the depositor are entered into the deposit account, indicating the necessary information about the depositor's deposit account. It is also assumed that the depositor expressly

Article 952. Deposits in favor of third parties

952.1. The deposit can be deposited in the bank in the name of a certain third party. If a term is not stipulated in the bank deposit agreement, the person acquires the right of a deposit the moment he submits his first demand based on these rights to the bank or informs the bank of his intention to use such rights in another way. Specifying the name of the natural person or legal entity whose benefit the deposit is made is an important condition of the relevant bank deposit agreement. Specifying the name of a natural person who is not alive at the time of the conclusion of the bank deposit agreement or a legal entity that does not exist at that time is irrelevant.

952.2. A person who has signed a bank deposit agreement can use the depositor's money deposited in his deposit account until the third party expresses his intention to exercise the depositor's rights.

952.3. The rules on the contract for the benefit of the third party are applied to the bank deposit agreement for the benefit of the third party, provided that such application does not contradict the provisions of this article and the nature of the bank deposit.

Article 953. Bank book

953.1. Unless otherwise stipulated by the agreement of the parties, the conclusion of a bank deposit agreement with an individual and depositing money into his deposit account is confirmed by a bank book. The bank deposit agreement may provide for the issuance of a named bank book or an anonymous bank book. The name and location of the bank in the bank book, and if the deposit is made to a branch, the name and location of the relevant branch, the account number for the deposit, and all amounts of funds transferred to the account, all amounts of funds removed from the account and the amount of funds in the account up to the date of submission of the bank book to the bank must be shown and confirmed by the bank. Unless otherwise proven, the information about the contents shown in the bank book is the basis for settlements between the bank and the depositor.

953.2. The bank issues the deposit, pays the interest on the deposit and executes the order of the depositor on the transfer of funds from the deposit account to other persons when the bank book is presented. If the named bank book is lost or unfit for submission, the bank issues a new bank book to the depositor upon his application. Restitution of rights to a lost untitled *documentary* bank book is effected out in the manner prescribed for untitled securities. [\[573\]](#)

953.3. The bank shall be released from liability if it settles with the person who obtained a bank book by illegal means or as a result of loss, on the basis of that book, provided that it does not have information about these circumstances. However, if the bank does not have such information due to gross negligence, it is not exempted from liability. [\[574\]](#)

953.4. A new creditor who has obtained a claim against the bank through the concession of a claim in the manner determined by this Code, may demand that a bank book be issued to him. [\[575\]](#)

Chapter 52.

Article 954. Bank account agreement

954.1. According to the bank account agreement, the bank undertakes to accept and deposit funds received by the client (account owner) into the account, to transfer and issue the relevant from the account, and to carry out other operations on the account.

954.2. The bank can use these funds by guaranteeing the client's right to unhindered disposal of funds in the account.

954.3. The bank cannot determine and control the directions of using the client's funds, and impose other restrictions on the client's right to dispose of the client's funds as he wishes, not provided for by *law and the bank account agreement*. [\[576\]](#)

954.4. The rules of this chapter relating to banks are also applied to other credit organizations, the national operator of postal communication, which conclude and execute a bank account agreement in accordance with the special permission (license) issued. *The rules of this chapter are applied to the accounts opened and maintained by the central depository in connection with the provision of financial taking into account the requirements of the Law of the Republic of Azerbaijan "On Securities Market"*. [\[5](#)

Article 955. Form of bank account agreement

955.1. The bank account agreement is concluded in written form.

955.2. Failure to comply with the written form of the bank account agreement renders the agreement invalid. Such a contract is irrelevant.

Article 956. Conclusion of the bank account agreement

956.1. When concluding a bank account agreement, a bank account is opened for the customer and the person indicated by him under the conditions agreed by the parties.

956.2. In order to open such type of accounts, the bank must conclude a bank account agreement with the client who has applied to open an account on the basis of the conditions announced by the bank, stipulated by the law and according to the requirements determined by the banking regulations.

956.3. If the relevant operations on the account are provided by the law, the bank's charter or special permission (license) granted to it, the bank has no right to refuse to open that account, unless refusal is related to the bank's inability to accept banking services, or it is required by law or other exceptions are made in cases where it is allowed by legal acts.

956.4. If the bank unreasonably refuses to conclude a bank account contract, the client has the right to apply to the court with the request to force him to conclude the contract. A bank that unreasonably refuses to conclude a bank account contract must compensate the client for the damage caused by its refusal.

Article 957. Confirmation of the right to dispose of funds in the account

957.1. The rights of the persons issuing orders on behalf of the client to transfer and issue funds from the account are confirmed by the client's presentation to the bank of the documents stipulated by the law.

957.2. At the request of third parties, including at the request of the client to fulfill his obligations these persons, the client can order the bank to withdraw funds from the account. The Bank accepts orders under the condition that when the relevant request is made, the necessary information to identify the person who has the right to make it, is indicated in written form in those orders.

957.3. The agreement may provide for the confirmation of the right to dispose of the sums credited in the account with electronic means of payment and other documents by using signature and codes, passwords and other means confirming that the disposal was given by the authorized person.

957.4. If the bank deletes funds from the account based on an order that does not express the will of the account holder, it is liable for this, provided that it cannot prove that such order was due to the account owner's own fault. [\[578\]](#)

Article 958. Account transactions conducted by the bank

The bank must carry out operations for the client for those types of accounts, provided for by law, by the banking rules defined according to the law, and by the business circulation customs in banking practice, provided that the bank account contract does not provide for a different case.

Article 959. Periods of account operations

959.1. *The bank must credit the funds received in the customer's account no later than the day after the transaction (the working hours established by the bank for accepting customer orders and conducting transactions), provided that the law does not provide for a different rule.* [\[579\]](#)

959.2. Upon the customer's order, the bank must transfer the customer's funds or transfers from the account no later than the day after the day when the relevant payment order is received by the bank, provided that no separate time periods are provided by law, banking regulations and in accordance with the law, or bank account agreement. [\[580\]](#)

Article 960. Account crediting

960.1. In cases where the bank makes payments (crediting the account) in accordance with the account agreement, despite the lack of funds, the bank is considered to have given a loan to the customer in the appropriate amount from the day of making such payment.

960.2. The rights and obligations of the parties regarding the crediting of the account are determined by the rules on debt and credit, provided that no separate case is provided for in the bank account agreement. [\[581\]](#)

Article 961. Payment of the bank's service fee for account transactions [\[582\]](#)

961.1. *If it is stipulated in the bank account agreement, the customer pays for banking services*

961.2. The bank may deduct the fee for bank services provided for in Article 961.1 of this Code from the customer's funds in the account after the completion of each transaction, provided that the account contract does not stipulate a different rule.

Article 962. Interest for bank use of funds

962.1. Unless otherwise specified in the bank account agreement, the bank pays interest for the use of funds in the client's account, and the amount of this interest is credited to the account.

962.2. The interest specified in Article 962.1 of this Code is paid by the bank in the amount determined in the bank account agreement, and in the absence of a relevant condition in the agreement, in the amount determined by this bank for the demand deposit.

962.3. The amount of interest is calculated in the terms stipulated in the contract, and if such terms are not stipulated in the contract, at the end of each quarter.

Article 963. Settlement of mutual claims of the bank and the client on the account

963.1. The bank's monetary claims against the client regarding the crediting of the account and the payment of the bank services fee, as well as the client's claims against the bank for the payment of interest for the use of funds, are terminated by way of compensation, provided that the bank account agreement does not provide for a different rule. The specified requirements are reimbursed by the client.

963.2. The bank must inform the customer about the compensation made in the manner stipulated in the contract, if the parties have not agreed on the relevant terms, in the manner and form that are customary for the banking practice of informing customers about the state of funds in the relevant account.

Article 964. Grounds for removing funds from the account

964.1. The bank withdraws funds from the account based on the customer's order.

964.2. Deletion of funds from the account without the customer's order is allowed by the bank's decision, as well as in cases defined by law or stipulated in the contract between the bank and the customer.

Article 965. Sequence of withdrawal of funds from the account

965.1. When the amount of funds in the account is sufficient to cover all the claims made against the bank on the account, the removal of these funds from the account is carried out in the sequence (calendar order) of the client's orders and other documents on removal from the account, provided that no other conditions are provided by law.

965.2. *If the Law of the Republic of Azerbaijan "On Encumbrance of Movable Property" does not provide otherwise*, if the funds in the account are not sufficient to fulfill the customer's orders and demands put forward against him, the funds are removed from the account in the following order:

utive documents related to these requirements in order to fulfill the requirements
compensation of damage to life or health, as well as the requirements for the withholding of alimony ;

965.2.2. in the second place, the cancellation of payment orders that provide for the tra
provision of funds for the payment of severance benefits and wages to persons working
employment contract, and for the payment of fees according to the authorship contract, or payme
issued on the basis of executive documents related to these requirements , as well as this Bank loans gra
the purposes are written off from the account; [\[586\]](#)

965.2.3. in the third place , a write-off is carried out on payment orders that provide for pay
the state budget, to the off-budget state fund for compulsory state social insurance :
unemployment insurance fees , to the compulsory health insurance fund for compulsory health insurance
to the budgets of municipalities ; [\[587\]](#)

965.2.4. in the fourth place, the payment orders that provide for the fulfillment of th
requirements for the given loans are removed from the account;

965.2.5. in the fifth step, the account is debited based on the payment order issued on the ba
execution document, which provides for the fulfillment of other monetary requirements ; [\[588\]](#)

965.2.6. in the sixth step, other payment orders are deleted from the account in order of
sequence. [\[589\]](#)

965.3. Unless otherwise provided by the Law of the Republic of Azerbaijan "On Encumbrance of
Property", the funds for claims related to one queue are removed from the account in the ord
calendar sequence of the receipt of payment orders . [\[590\]](#)

Article 966. Liability of the bank for improper account transactions

In cases where the money received by the customer is not credited to the account on ti
unjustifiably deleted from the account by the bank, as well as in cases where the customer's insi
on transferring or withdrawing money from the account are not fulfilled properly, the bank r
interest for that amount in the manner and in the amount provided for in Article 449 of this Cod

Article 967. Bank secrecy

967.1. The bank guarantees the secrecy of the bank account and bank deposit, account tra
and customer information.

967.2. Information constituting bank secrecy is given to the customer himself and his representat
information is provided to other persons only in the cases and according to the procedure stipulated in ti
the Republic of Azerbaijan "On Banks". [\[591\]](#)

967.3. In the event that bank secret information is disclosed by the bank, the client who
have been violated may demand compensation from the bank for the damage caused.

It is not allowed to limit the customer's rights to dispose of the funds in the account, but in stipulated by the law, when the funds in the account are seized by the court's decision or the transactions are stopped, as well as the cases defined by the Law of the Republic of Azerbaijan "Encumbrance of Movable Property". [\[592\]](#)

Article 969. Termination of the bank account agreement

969.1. The bank account agreement can be canceled at any time at the customer's request.

969.2. If the bank account agreement does not provide for a separate rule, the bank agreement can be canceled by the court at the request of the bank in the following cases:

969.2.1. if the amount of money kept in the client's account is less than the minimum stipulated by bank regulations or the contract, provided that such amount has not been recovered one month from the day of the bank's notification;

969.2.2. if transactions are not carried out on that account within a year, provided that the does not stipulate a different rule.

969.2.3. if there are serious reasons, in particular, it should be proven that the bank account is using the bank account for illegal purposes. [\[593\]](#)

969.3. The balance of funds in the account is given to the customer or transferred to another at the customer's direction no later than seven days after the date of receipt of his written application.

969.4. Termination of the bank account agreement is grounds for closing the customer's account.

Article 970. Accounts of banks

Unless otherwise provided by the law, other legal acts, or banking regulations de accordance with them, the rules of this chapter of this Code shall also apply to correspondent and correspondent sub-accounts and other bank accounts.

Chapter 53.

Settlements between participants of the civil circulation

§ 1. General provisions on settlements

Article 971. Cash and non-cash settlements

971.1. If settlements with the participation of natural persons are not related to their entrepreneurial activity, the amount can be carried out in cash or non-cash without limitation.

971.2. *Removed.* [\[594\]](#)

Article 972. Forms of non-cash settlements

972.1. When making non-cash settlements, payment orders, letter of credit settlements, checks, payment cards, electronic settlements, as well as settlements in other forms provided for by law, banking rules established in accordance with the law, and business circulation customs applied in banking practice are allowed.

972.1-1. *Non-cash settlements on money accounts opened by the central depository regarding the provision of financial services are carried out taking into account the requirements of the Law of the Republic of Armenia "On the Securities Market".* [\[596\]](#)

972.2. The parties to the contract have the right to choose any of the forms of settlement specified in Article 972.1 of this Code and define in the contract.

§ 2. Settlements with payment orders

Article 973. General provisions on settlements with payment orders

973.1. During settlement with a payment order, the bank undertakes to transfer certain funds from the account of the payer's account to the account of the person specified by the payer in this order within the bank within the period provided by law or determined in accordance with the law, provided that a shorter period is stipulated in the bank account agreement. not to be envisaged or to be determined by a shorter period by the business circulation customs applied in banking practice.

973.2. The rules of this paragraph of this Code are applied to the relations of a person who has an account in a bank to transfer his funds through that bank, provided that no special case is provided by the law, banking rules defined in accordance with it, or no special case arises from the nature of these relations.

973.3. The procedure for making settlements with payment orders is regulated by the law and banking rules as by the banking rules and business practices applied in banking practice.

Article 974. Conditions for execution of a payment order by the bank

974.1. The content and form of the payment order and the settlement documents submitted to the bank must comply with the requirements stipulated by the law and the banking regulations established in accordance with the law accordingly.

974.2. If the payment order does not comply with the requirements specified in Article 974 of this Code, the bank may clarify the content of the order. Such a request must be made to the bank immediately after receiving the order. The bank may return the order to the payer without execution within the time provided by the law or by the banking regulations established in accordance with the law or in the absence of such, within a reasonable time, provided that a different case is not provided for in the law.

974.3. If the contract between the payer and the bank does not provide for a different rule, fulfills the payer's task if there are funds in the payer's account. The bank executes tasks while for the order of withdrawal of funds from the account. If there are no funds in the payer's account, the bank informs him about it. [\[597\]](#)

Article 975. Execution of the task

975.1. The bank that accepted the payer's payment order must transfer the corresponding amount of money to the recipient's bank within the period specified by Article 973.1 of this Code to be credited to the account of the person specified in the order.

975.2. The bank can involve other banks to perform the operations of transferring funds to the account specified in the customer's order.

975.3. The bank must immediately notify *the payer about the execution of the order*. Other requirements related to information after the execution of the payment order are regulated by the Law of the Republic of Azerbaijan "On Payment Services and Payment Systems". [\[598\]](#)

Article 976. Liability for non-execution or improper execution of the task

976.1. If the client's order is not executed or not properly executed, the bank is liable on the amount of the order and in the amount provided for in Chapter 23 of this Code.

976.2. If the task is not executed or improperly executed due to the violation of the rules of settlement transactions by the bank involved in the execution of the payer's task, the court may hold the bank responsible in the manner and in the amount provided for in Article 976.1 of this Code on that bank.

976.3. If the violation of the rules of settlement operations by the bank has led to the illegal withdrawal of funds, the bank must pay interest in the manner and in the amount provided for in Article 44 of this Code.

§ 3. Settlements by letter of credit

Article 977. General provisions on settlements by letter of credit

977.1. During settlements under the letter of credit, the bank (issuing bank) acting on the instructions and instructions of the payer to open a letter of credit undertakes to pay funds to the recipient or to pay, accept or register the bill of exchange or transfer these powers to another bank (executive bank). The rules on the executing bank apply to the issuing bank that pays the funds to the recipient or pays, accepts or accounts for the bill of exchange.

977.2. The procedure for making settlements on the letter of credit is regulated by the law as by the banking rules and business practices applied in banking practice.

Article 978. Recall letter of credit

gations of the issuing bank to the recipient.

978.2. The executing bank must execute the payment or other operations under the recall credit, provided that until the moment of execution, it does not receive a notification about canceling the terms of the letter of credit.

978.3. A letter of credit becomes a revocable letter of credit when this situation is directly described in its text. [\[599\]](#)

Article 979. Irrevocable letter of credit

979.1. A letter of credit is an irrevocable letter of credit that cannot be canceled or changed without the consent of the beneficiary.

979.2. The executive bank participating in the letter of credit transaction can confirm an irrevocable letter of credit at the request of the issuing bank (confirmed letter of credit). Such confirmation means that the executing bank accepts the obligation to execute the payment according to the terms of the letter of credit, in addition to the obligation of the issuing bank.

979.3. An irrevocable letter of credit approved by the executing bank cannot be changed or canceled without the consent of the executing bank.

Article 980. Execution of letter of credit

980.1. The executive bank receiving funds for the execution of the letter of credit submits to the issuing bank documents confirming that all the terms of the letter of credit have been fulfilled. A letter of credit is not executed if at least one of these conditions is violated. The executive bank should check that the documents are in order only from a formal point of view. [\[600\]](#)

980.2. If the executing bank has made the payment or performed another transaction in accordance with the terms of the letter of credit, the issuing bank must compensate it for the expenses incurred in connection with the execution of the letter of credit. Reimbursement of the specified expenses, a reimbursement of all other expenses of the issuing bank in connection with the execution of the letter of credit, shall be paid by the payer.

Article 981. Refusal to accept documents

981.1. If the executive bank refuses to accept documents that do not comply with the terms of the letter of credit due to external signs, it must immediately inform the recipient and the issuing bank, indicating the reasons for the refusal.

981.2. If, after receiving the documents accepted by the executing bank, the issuing bank considers them to be inconsistent with the terms of the letter of credit due to their external features, it must accept them and may demand from the executing bank the amount paid to the recipient in accordance with the terms of the letter of credit, and may refuse to pay the sums paid for unpaid letters of credit.

Article 982. Liability of the bank for violation of the terms of the letter of credit

982.1. Except for the cases provided in this article, the issuing bank is responsible to the payer. The executive bank is responsible to the issuing bank for the violation of the terms of the letter of credit.

982.2. If the executive bank unreasonably refuses to pay funds under a paid or approved letter of credit, the executive bank may be held liable to the recipient.

982.3. If the executing bank fails to pay the funds under the paid or approved letter of credit correctly as a result of breaching the terms of the letter of credit, the executing bank may be held liable to the payer.

Article 983. Closing of the letter of credit

983.1. A letter of credit is closed at the executive bank in the following cases:

983.1.1. when the letter of credit expires;

983.1.2. at the request of the recipient of funds to refuse to use the letter of credit until the end of its validity period, provided that the possibility of such refusal is stipulated by the terms of the letter of credit;

983.1.3. at the request of the payer on full or partial recall of the letter of credit, provided that recall is possible according to the terms of the letter of credit.

983.2. The executive bank must inform the issuing bank about the closing of the letter of credit.

983.3. The unused amount of the paid letter of credit must be returned to the issuing bank immediately at the same time as the letter of credit is closed. Issuing bank must enter the amount into the payer's account where the funds are deposited.

§ 4. Collection settlements

Article 984. General provisions on debt collection settlements

984.1. During collection settlements, the bank (issuing bank) undertakes to carry out the operations of receiving payment and (or) acceptance of payment from the payer at the customer's request and on the customer's expense.

984.2. The issuing bank that received the client's order can involve another bank (executive bank) to execute the order. The procedure for performing collection settlements is regulated by the law, the rules established under the law, and business circulation customs applied in banking practice.

984.3. In the event that the client's order is not executed or improperly executed, the issuing bank is liable to him on the grounds and in the amount provided for in Chapter 23 of this Code.

984.4. If the non-execution or improper execution of the client's order occurred due to the violation of the rules of settlement operations by the executing bank, the responsibility towards the client is imposed on that bank.

984.5. Relationships related to collection settlements, which are not regulated by this Code, are regulated by banking legislation.

Article 985. Execution of collection order

985.1. If there are no documents or if the documents do not correspond to the collection order to their appearance, the executing bank must immediately inform the person who received the collection order. If the indicated defects are not eliminated, the bank may return the documents without execution.

985.2. The documents are presented to the payer in the form in which they were received. Bank records and writings necessary for the formalization of the collection transaction are excluded.

985.3. If the documents are payable upon presentation, the executing bank must present the documents for payment immediately after receiving the collection order. If the documents must be presented in another period, the executing bank must submit the documents for acceptance immediately after receiving the collection order to receive the acceptance of the payer, and the payment must be received no later than the day of the payment period specified in the document.

985.4. Partial payments can be accepted in cases where this is determined by bank regulations where there is a special permission in the collection order.

985.5. The received (collected) amounts must be immediately put at the disposal of the issuer by the executing bank, and that bank must transfer these amounts to the client's account. The executing bank may deduct from the collected amounts the wages and expenses due to it.

Article 986. Notification of the transactions carried out

986.1. If payment and (or) acceptance has not been received, the executing bank must immediately notify the issuing bank of the reasons for non-execution of payment or refusal of acceptance. The issuing bank should immediately inform the customer about this and ask him for instructions on future actions.

986.2. If the instructions on future actions are not received within the period specified in banking regulations, or if this period is not received within a reasonable period, the executing bank has the right to return the documents to the issuing bank.

§ 5. Check ^[601]

Article 986-1. The concept of a check and its contents

986-1.1. *A check consists of an unconditional written order given by the check issuer to the bank to pay to the check owner the sum of money expressed by the check.*

986-1.2. *The check must contain the following details:*

986-1.2.1. *the name "cheque" included in the text of the document;*

986-1.2.2. *a simple and unconditional assignment to pay a certain sum of money;*

986-1.2.3. *the name of the bank that should execute the payment;*

986-1.2.4. *place of payment;*

986-1.2.5. *the date and place of the check;*

986-1.2.6. *check drawer's signature.*

986-1.3. *Banks are allowed to issue check forms only that have the following information printed on them: name, address and telephone number of the paying bank, the name and address of the check issuer (account number) as well as the account number of the paying bank.*

986-1.7. A cashier's check is a written order to withdraw cash from a customer's bank account.

986-1.8. A traveler's check is an obligation of the organization that undertakes to pay the amount of the check to the owner of the check issued at one point, and is a check that is cashed at another point. Payment of travel checks is carried out by the issuer of the check, its branch or other organization specified by the issuer on the owner's signature.

Article 986-2. Application of promissory notes provisions to cheques

The provisions of Articles 1005.2.4, 1006, 1009-1012 of this Code are also applied to the regulatory relations arising from checks, except for the provisions on the acceptance of a bill of exchange.

Article 986-3. Check security request

986-3.1. A check can be issued only in cases where the issuer of the check has the right to dispose of the bank accounts and the checks for those funds.

986-3.2. The bank has the right to refuse to pay the check if the funds of the check issuer or the creditor are insufficient for the payment of the check. When the bank pays the unsecured amount, the check rights are transferred to it. When the bank refuses to pay the check in whole or in part, the following conditions must occur:

986-3.2.1. the check issuer, or the person who signed the fully or partially unpaid check instead of issuer, as co-debtors, must compensate the check owner for damages in the amount of 6 percent of the unsecured part of the check amount. The check holder's right to claim compensation for other damages is reserved;

986-3.2.2. the bank should note that the check has not been fully or partially paid due to the lack of funds and should send it to the owner of the check without delay, and should immediately notify the Central Bank of the Republic of Azerbaijan, which compiles the register of check issuers who have signed such checks; [\[602\]](#)

986-3.2.3. the issuer of an unsecured check is not allowed to issue checks for one year and must immediately return all check blanks in his possession to the paying bank and all other banks of which he is a customer. The paying bank must immediately request this in writing from the check issuer and all persons authorized to dispose of the funds in the accounts and prohibit them from issuing checks thereafter;

986-3.2.4. within one month after this request, the payer shall notify the holder of the check that he has paid the unpaid part of the check amount, as well as that he has paid compensation for the loss in accordance with Article 986-3.2.1 of this Code, or that he has taken care that the paying bank has sufficient funds for payment of those amounts if he proves it to the bank, the prohibition of issuing checks in accordance with Article 986-3.2.3 of this Code shall not be valid for the future.

Article 986-4. Exclusion of check acceptance

The payee should not accept the check. The acceptance written on the check is invalid.

Article 986-5. Name of the person authorized to receive payment on the check

986-5.2. A check is considered a bearer check if it is made out to a specific person with the stipulation "bearer" or with a stipulation to that effect.

986-5.3. A check without the owner's name is considered a bearer check.

986-5.4. A check can be made payable to the drawer himself.

Article 986-6. Invalidity of interest written in the cheque

The stipulation written on the check about interest is considered invalid.

Article 986-7. Transfer of check to another person

986-7.1. A check issued to a certain person and presented for payment can be given to another person by endorsement.

986-7.2. A check can also be issued through endorsement to the drawer and any person liable on the check. These persons can also endorse the check.

986-7.3. Endorsement of the paying bank is invalid. An endorsement without a name is considered invalid. Except for the cases where the bank has several departments (branches) and the endorsement is in favor of another department and not the department to which the check is issued, the endorsement for a bank has only the effect of a payment receipt.

986-7.4. The provisions of Articles 993.3, 993.4, 1018 and 1020 of this Code are also applied to checks for the provisions on the acceptance of a bill of exchange.

Article 986-8. Presumption in favor of check holder. Loss of check

986-8.1. Article 1019.1 of this Code applies to the possibility in favor of the check holder.

986-8.2. When the holder of the check loses the check, the holder of the check, whether it is a bearer check or a check issued by endorsement, is bound to return the check only if he obtained it dishonestly or was negligent in obtaining it.

Article 986-9. Check guarantee (aval)

The payment of the check amount can be fully or partially guaranteed by the drawee through an aval (guarantee). Such a guarantee for payment can be given by any third party, except the paying bank, a person already signed on the check.

Article 986-10. Submission of check for payment

986-10.1. Check payable upon presentation. Any other instruction is invalid.

986-10.2. A check payable in the country of issue must be presented for payment within one month from the date of issue. A check payable in a country other than the country of issuance must be presented for payment within two months from the date of issue if the place of issue and payment is on the same continent, and within three months if it is on different continents. Also, checks issued on the territory of one state that is a member of the Commonwealth of Independent States must be presented for payment within one month from the date of issue.

idered checks issued and payable on the same continent. The flow of the above-mentioned periods is the day indicated on the check as the date of its issuance.

986-10.3. If the check has to be paid in a different calendar than the calendar of the place of issue corresponding to the day of issue and the payment period are determined according to the calendar of the payment.

Article 986-11. Withdrawal of a check

986-11.1. Cashback of a check is valid only after the expiration of its presentation period.

986-11.2. If the check is not returned, the bank can execute the payment even after the expiration of presentation period.

986-11.3. If the issuer of the check confirms that he or any third party has lost the check, he can prevent the payee from making the payment.

Article 986-12. Consequences of the death, incapacity or insolvency of the drawer

The validity of the check is not affected by the death or incapacity or declaration of insolvency of the drawer after the issue of the check.

Article 986-13. Check payment and payment receipt. Checks issued in foreign currency

Articles 1028, 1029.4 and 1030 of this Code shall be applied accordingly to payments by check, payment and checks in foreign currency.

Article 986-14. Scratched check

986-14.1. The check issuer, as well as any check holder, may scratch the check with the consequences for in Articles 986-14.2-986-14.6 of this Code. Scratching is done by drawing two parallel lines on the check. Scratching can be general or specific. If there is no indication between the lines or the note "ban other note of the same meaning, the scratch is considered general. If the name of the bank is written between the lines, the scratch is considered special. A generic scratch can be converted to a specific, but a specific scratch can be converted to a generic. Blacking out of the scratch or the name of the specified bank is considered invalid.

986-14.2. The payee can pay a check with a common scratch only to the bank or to his own customer.

986-14.3. A check with a special scratch can be paid by the payer only to the specified bank or, if the payer is the payer, to the customer of that bank. The specified bank may instruct another bank to accept the check.

986-14.4. A bank can accept a scratched check only from its own customer or from another bank.

986-14.5. A check with several special scratches can be paid by the payer only if no more than two scratches are made on the check.

986-14.6. The payer or bank that does not comply with the above instructions is obliged to pay compensation for the damage in an amount not exceeding the amount of the check.

Article 986-15. Settlement check

986-15.1. *The drawer of a cheque, as well as any holder of a cheque, may prohibit cash payment of a writing on the face of the check a note of "settlement" or another note of similar meaning. In this case, can pay the check only through account-to-account transfer (settlement, transfer, non-cash settlements). considered a payment. Violation of the "Settlement" record is considered invalid. The payer who does not with the above instructions is obliged to pay compensation for the damage in an amount not exceeding the of the check.*

986-15.2. *If the payer has been declared insolvent or has stopped making payments or if the at against his property has failed, the holder of the settlement check may require the payer to pay the check and exercise his right of recourse if the check is not paid. This rule is also applied if the owner of the check to dispose of his accounts with the payer as a result of the measures taken under the Law on Banks.*

986-15.3. *The owner of the settlement check has the right to file a claim, but he must prove that refuses to write a simple and unconditional note on the account or that the relevant settlement author place of payment has declared the check unusable for non-cash settlements for the purpose of pa obligations. .*

Article 986-16. A claim for failure to pay on a check

986-16.1. *If a check presented on time for payment is not paid, the owner of the check can file a claim the endorsers, the check issuer and other obligees on the check.*

986-16.2. *The holder of the check may request the following from the claimant:*

986-16.2.1. *if the check has not been paid, payment of the check amount;*

986-16.2.2. *payment of interest;*

986-16.2.3. *payment of expenses;*

986-16.2.4. *penya in an amount not exceeding one-third of the interest.*

986-16.3. *If an insurmountable obstacle prevents the timely presentation of the check, Article 10: Code shall be applied to the extension of the time periods for presenting the checks for payment.*

Article 986-17. Fake check

The payer bears the loss in connection with the payment of a fraudulent or forged check, provided issuer of the check indicated in the check is not at fault, for example, he did not neglect the check forms en him.

Article 986-18. Changing the text of the check

Article 1045 of this Code applies to changing the text of a check.

Article 986-19. Claim periods for check obligations

Claims of the check owner against the endorsers, the check issuer and other persons liable for the che from the check are paid one year after the expiration of the presentation period. Claims of a check obligee another check obligee shall be paid one year after the date of payment of the check by the obligee or the v

Article 986-20. Declaring the check invalid

Article 1047 of this Code applies to declaring a check invalid.

Article 986-21. Calculation of the terms of submission of the check for payment

Check must be presented for payment on business days only. If the last day of the submission period is Sunday or other non-working day, the period is extended until the next working day. Non-working days of the period are taken into account when calculating the period.

Chapter 54. [\[603\]](#)

Securities

§ 1. General provisions on securities

Article 987. Definition of securities

987.1. A security is a document that confirms the existence of a contractual relationship between the issuer and the owner's rights arising from that contract. A person who has issued, released or transferred a security is called an issuer for the purposes of Chapter 54 of this Code. [\[604\]](#)

987.2. Types of securities, mandatory requisites, requirements related to them, relations related to them and the securities market are determined by this Code and the Law of the Republic of Azerbaijan "On the Securities Market". [\[605\]](#)

987.3. The lack of mandatory requisites of the security or the non-compliance of the security with the form defined for it causes its irrelevance.

Article 988. Obligations on securities and their execution

988.1. Any claim established in a security against the issuer is confirmed by that security. The issuer cannot refuse the performance of an obligation confirmed by a security based on its lack of basis or its invalidity. [\[606\]](#)

988.2. The debtor on the security must perform the execution only at the same time as the security is given to him. The issuer is released from its obligation to the extent that it has performed the execution to the owner of the security. [\[607\]](#)

988.3. The issuer who issued the security and all the persons who endorsed it are jointly responsible to its owner. When the demand of the owner of the security is fulfilled by one or more persons who have performed the execution on the security, he (they) acquires the right of recourse against the issuer.

~~988.4. It is not allowed to refuse the performance of an obligation confirmed by a security, its lack of basis or its invalidity.~~ [\[609\]](#)

988.5. If *the owner of the security* discovers fraud or falsification in the security, he can deny proper fulfillment of the obligation confirmed by the security and compensation for the damage to the debtor who gave the security to him. [\[610\]](#)

Article 989. Named securities [\[611\]](#)

989.1. *A security whose title is registered in the name of its owner or registered in the central depository security.*

989.2. *The debtor on a registered security must carry out the execution only as a person to whom the security has been issued or acquired ownership rights to the security in another way, or as a legal heir of that person. If the debtor performs the execution without such confirmation, he is not released from his obligation to a third party who will prove his right to the security.*

Article 990. Untitled securities

990.1. A security is considered untitled if, according to it, *the issuer* undertakes to perform an obligation to any person who presents this security.

990.2. If prohibited by a court order or other legal order, *the issuer* shall not make further payments on the untitled security. [\[612\]](#)

Article 991. Documentary securities [\[613\]](#)

991.1. *Documentary security is a form of security printed on paper blanks (certificates) specially designed to eliminate the possibility of forgery.*

991.2. *The requirements related to the forms of documentary securities and the persons preparing them are determined by the Central Bank of the Republic of Azerbaijan.*

Article 992. State registration of securities [\[614\]](#)

Securities (with the exception of investment fund shares and mortgage paper establishing a mortgage on real estate) are entered into the state register of securities after being state registered by the Central Bank of the Republic of Azerbaijan. [\[615\]](#)

~~Article 992-1. Securities market and securities market participants~~ [\[616\]](#)

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~~992-1.1. The securities market is a set of legal and economic relations between subjects~~

~~992-1.2. Securities market participants are self-regulatory organizations of securities participants, which are individuals who act as subjects or parties in the emission, circulation, ownership, storage, and transactions with securities, as well as state and non-commercial organizations that regulate the securities market.~~

~~992-1.3. The issuer is the person who carries out the emission of securities in the manner established by the legislation, the relevant executive power body and the state body or municipality authorized to do so in the appropriate manner.~~

~~992-1.4. Professional activity in the securities market is an entrepreneurial activity carried out by legal or natural persons on the basis of a special agreement (license) in the securities market.~~

~~992-1.5. Professional participants of the securities market are legal entities that carry out entrepreneurial activities on the basis of a special agreement (license) in the securities market.~~ [\[616\]](#)

~~992-1.6. The nominal custodian of securities is a person who is registered in the register of owners on behalf of the right holder and who is not the legal owner of these securities.~~

~~992-1.7. Broker activity is a professional activity in the securities market, acting as an agent on the basis of an assignment or commission agreement at the client's request, concluding transactions with securities for the benefit of that client.~~

~~992-1.8. Dealer activity is a professional activity in the securities market on concluding purchase and sale contracts on securities at publicly announced purchase and (or) sale prices on one's own and at one's own expense. A public announcement is an offer made in the form of a public announcement.~~

~~992-1.9. Asset management is a professional activity in the securities market, the exclusive object of which is the client's property, which consists of carrying out transactions for the benefit of the client or a third party indicated by the client with cash, securities and other property provided for in the management agreement.~~ [\[618\]](#)

~~992-1.10. Clearing activity is a professional activity for determining mutual obligations arising from transactions with securities (data collection, verification, reconciliation, preparation of accounting documents), making settlements and ensuring mutual execution of obligations.~~

~~992-1.11. Depository activity is a professional activity that consists of providing services related to the storage of securities, accounting and confirmation of the facts of charging rights and obligations, as well as opening and maintaining money accounts and money transfers in accordance with the legislation.~~ [\[619\]](#)

~~992-1.12. The depository system is a unified system of depositories interacting with each other, opening "depot" accounts.~~

~~992-1.13. Keeping the register of the owners of securities is a professional activity for the accounting, recording, processing, storage and presentation of information about securities, their issuer, nominal custodians.~~

~~992-1.14. The stock exchange is a professional activity for creating the necessary conditions for concluding transactions with securities, determining their market prices, and disseminating necessary information about them.~~

~~992-1.15. An investor is a person who has acquired securities.~~

~~992-1.17. Manipulation of prices in the securities market is artificially changing the market securities by any pre-agreed, deliberate actions of securities market participants in transacting securities, which can lead to disruption of the stability of the securities market. Manipulation of not allowed in the securities market.~~

Article 993. Creation and transfer of ownership rights to securities [\[620\]](#)

993.1. *With the exception of the mortgage paper establishing the mortgage right on real estate, the right to other undocumented securities arises from the moment of registration in the central depository alienation of that security to the first owner at the time of issuance. Ownership rights to documentary arise from the moment of alienation of those securities to the first owner.* [\[621\]](#)

993.2. *The owner may transfer the ownership right to the security to another person by concluding in accordance with Article 1078-20 of this Code.*

993.3. *With the exception of the mortgage paper establishing the mortgage right on real estate in accordance with Article 993.2 of this Code, the property rights of the person who acquires other undocumented securities be determined by the registration of the transfer of those securities in the central depository, and the rights of the person who acquires the documentary securities shall be created by the conclusion of the* [\[622\]](#)

993.4. *When the ownership right to a security is transferred to someone else and other conditions for in Article 1078-21 of this Code are met, all the rights confirmed by the security pass to the acquirer, that the right to transfer that security to someone else exists.*

993.5. *If it is stipulated in the contract or the security itself, the participation of other persons, especially issuer, is necessary for the transfer of ownership rights to the security.*

Article 994. Damage and destruction of documentary securities [\[623\]](#)

When a documentary security is unfit for circulation as a result of damage or corruption, the owner may request the issuer to issue a new security in exchange for the return of the damaged or destroyed security, provided that it is still possible to confidently identify its main content and distinctive features on that security. The cost of replacing a damaged or defaced documentary security shall be borne by its owner.

Article 995. Declaration of invalidity of documentary security [\[624\]](#)

995.1. *If a documentary security is lost, at the petition of its owner, the court may declare this security invalid at the place of residence of the issuing natural person or at the place of the issuing legal entity. If securities are lost, the court may, at the request of the petitioner, prohibit the issuer of the securities from paying it.* [\[625\]](#)

995.2. *A motion to declare a documentary security invalid can be submitted by a person who*

its loss. If a security holder with a coupon slip or stock coupon loses only the coupon slip coupon, it is sufficient for him to present the underlying security in support of his claim. [\[626\]](#)

Article 996. Undocumented securities

996.1. With the exception of the mortgage paper establishing the mortgage right on real estate, the other requisites of the owner of other undocumented securities are securities in the form of an electronic document reflected in the entry in the central depository. The Law of the Republic of Azerbaijan "On electronic sign electronic document" does not apply to other undocumented securities, except for the mortgage paper establishing the mortgage right on real estate. [\[627\]](#)

996.2. At the request of the right holder, the person who has established the right in undocumented form must give him a document confirming the established right.

996.2-1. The creation of ownership rights to a mortgage paper, state registration of a mortgage paper (circulation) of rights on a mortgage paper, and termination of a mortgage paper are determined in accordance with the Law of the Republic of Azerbaijan "On Mortgages". The mortgage paper establishing the mortgage right on real estate is drawn up only in the form of an electronic document. The rights on the mortgage paper establishing the mortgage right on the immovable property are transferred by electronically satisfying requirements established by Article 1078-20.11 of this Code. [\[628\]](#)

996.3. The rights confirmed by the specified determination, the procedure for officially determining the rights and right holders, the procedure for documenting the records and the procedure for conducting transactions with undocumented securities shall be determined by law or in the manner determined by law.

996.4. Transactions with undocumented securities can be carried out only by applying to the person who conducts the registration of rights. Transfer, presentation and restriction of rights to another person must be officially determined by this person who is responsible for the safety of official records, ensuring their confidentiality, providing correct information about such records, and writing up records of transactions. [\[629\]](#)

Article 997. Types of securities [\[630\]](#)

997.1. Securities include bonds, shares, promissory notes, depositary receipts, investment fund certificates, mortgage bonds, mortgage bonds, and real estate certificates. [\[631\]](#)

997.2. Bonds and stocks are investment securities. Investment securities are placed in an issue of securities that have the same scope and duration of exercise of rights within an issue, regardless of the time of acquisition of the securities. An issue of securities is a collection of the issuer's securities belonging to one type of securities and having the same state registration number. Investment securities are issued in paperless or ~~paper~~ form. The procedure for issuing investment securities is determined by the Law of the Republic of Azerbaijan "On the Securities Market". [\[632\]](#)

997.4. A depository receipt is a security that confirms the rights to the base asset (securities of issuer) and gives its owner the right to claim the securities of the foreign issuer that is the base asset of them and the rights confirmed with them from the issuer that issued it. The procedure for issuing depository receipts, their state registration and circulation is determined by the Central Bank of the Republic of Azerbaijan. [\[634\]](#)

997.5. An investment fund share is an undocumented security that confirms the ownership right of its owner to his share in a mutual investment fund, gives the right to receive the corresponding funds from the fund's assets after the liquidation of the mutual investment fund, as well as other rights stipulated by the Law of the Republic of Azerbaijan "On Investment Funds". [\[635\]](#)

997.6. Mandatory requisites of the security certificate and the rules for preparation of its form are determined by the financial market control body.

997.7. Persons guilty of violating this Code and other legislative acts of the Republic of Azerbaijan on the securities market are liable in the cases and in the manner provided by the civil, administrative and criminal legislation of the Republic of Azerbaijan. [\[636\]](#)

997.8. The damage caused as a result of violation of the legislation of the Republic of Azerbaijan on the securities market must be compensated in accordance with this Code and the Law of the Republic of Azerbaijan "On the Securities Market". [\[637\]](#)

997.9. Administrative punishment, suspension, cancellation of the relevant license, restriction of suspension of transactions with securities and other measures attributed to its powers by the law on the participants of the securities market by the relevant executive authority exercising state control, the administrative order and (or) a complaint can be filed in court. Filing of such a complaint does not suspend the validity of the applied measure until the court's decision is issued. [\[638\]](#)

Article 997-1. State and municipal securities [\[639\]](#)

997-1.1. State securities are securities issued by the relevant executive power body or other institution duly authorized to do so. [\[640\]](#)

997-1.2. Municipal securities are securities issued by the municipality in accordance with the relevant legislation.

§ 2. Order [\[641\]](#)

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Article 998. Concept of order

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998.1. An order is a document on the basis of which a person (drawer) instructs another person (payer) to give money, securities or other exchangeable items to the remitter at the account of the drawer. The order can be issued in the name of the remitter, without a name or with a reservation. If the warrant is indicated as "promissory note" or "cheque", then, first of all, the provisions of the Code on promissory notes or checks shall be applied.

~~998.3. The payer must fulfill the obligation to the remitter.~~

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~~**Article 999. Acceptance of the order by the payer**~~

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~~999.1. The payer must execute the remitter only if he accepts the warrant. However, if the debtor of the drawer, the payer must perform the execution even without acceptance.~~

~~999.2. Acceptance may be declared before execution or during execution. If the acceptance is announced before the execution, the payer writes a note about the acceptance in the warrant. If the acceptance is written before it is presented to the remitter, the acceptance for the remitter is valid only from the moment of presentation.~~

~~999.3. When the order is accepted for the payer, there is a direct obligation to perform the execution to the remitter. After the order has been accepted, the payer can express to the remitter only objection to the validity of the acceptance or arising from the content of the order or the acceptance.~~

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~~**Article 1000. Refusal to accept or pay**~~

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~~If the payer refuses to accept the order or make the payment before the payment deadline, the remitter must immediately notify the issuer. The same rule applies if the remitter cannot or does not intend to exercise his right arising from the warrant.~~

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~~**Article 1001. Relations of the drawer with the remitter**~~

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~~1001.1. If the issuer's debt is to be paid by the payer's execution, the payment is considered to have been made only after the payer's execution of the warrant to the remitter.~~

~~1001.2. Accepting the warrant, the remitter can exercise his right of claim against the drawer. If he demands the payment from the payer and does not receive it after the expiration of the period specified in the warrant.~~

~~1001.3. The order indicates that the holder of the principal contract has a corresponding claim against the issuer.~~

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~~**Article 1002. Withdrawal of order**~~

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~~The issuer may withdraw the warrant from the payer until the payer accepts the warrant or executes the payment.~~

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~~**Article 1003. Transfer of order to someone else**~~

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~~1003.1. The remitter can transfer the order to any third party, even if it has not yet been accepted.~~

~~1003.2. The issuer may exclude the holding of the warrant. Such an exception for the payer is valid only if it is stipulated in the warrant or if the issuer informs the payer about it before the payer accepts the warrant or executes the payment.~~

Article 1004. Definition of promissory note

Promissory notes *are* securities, through which the drawer instructs another person (the payee) to pay a certain amount to a specific person (bill of exchange) or undertakes to pay a certain amount to a specific person or at the disposal of this person (simple promissory note). [\[642\]](#)

Article 1005. Bill of transfer

1005.1. A bill of exchange is a document with the following details:

1005.1.1. The name "promissory note" included in the text of the document;

1005.1.2. simple and unconditional indication of the promissory note issuer to pay a certain amount;

1005.1.3. who has to pay, his (payer's) name;

1005.1.4. the name of the person to whom or by whose order the payment is to be made;

1005.1.5. the date on which the promissory note was drawn up;

1005.1.6. signature of the promissory note issuer;

1005.1.7. the place where the promissory note was drawn up;

1005.1.8. time of payment of the promissory note (payment period for the promissory note);

1005.1.9. where the payment is to be made.

1005.2. A document without any of the requirements specified in Article 1005.1 of this Code does not have the force of a bill of exchange, except in the following cases:

1005.2.1. when a bill of exchange without a payment term is presented, it is considered a bill (a bill whose term is determined by its presentation);

1005.2.2. if the place of payment is not specifically indicated, the place indicated next to the name of the payer is considered the place of payment and, with it, the place of residence or place of residence of the payer;

1005.2.3. a bill of exchange, where the place of execution is not indicated, is considered to be executed in the place indicated along with the name of the drawee;

1005.2.4. A bill of exchange, which is not fully filled out at the time of issuance, becomes a blank bill of exchange if it is given to other persons and those persons are given the right to complete the information missing in the bill later.

Article 1006. Types of bills of exchange

1006.1. A bill of exchange can be issued at the behest of the drawer himself.

1006.2. A bill of exchange can be given to the drawer himself.

1006.3. Bill of exchange can be issued to the account of a third party.

Article 1007. Place of payment on bill of exchange

Article 1008. Interest on promissory notes

1008.1. In a bill of exchange payable upon presentation or within a specified time after presentation, the drawer may stipulate that interest shall accrue on the amount of the bill.

1008.2. The interest rate must be specified on the promissory note; if there is no such indication, the condition is considered unwritten.

1008.3. If the day on which the interest begins to be calculated is not specified, the interest shall be calculated from the day of drawing up the promissory note.

Article 1009. Bill amount

1009.1. If the amount of the promissory note is indicated both in words and in numbers, if there is a difference between them, the promissory note is valid for the amount indicated in writing.

1009.2. If the amount in the bill of exchange is indicated several times in writing and several times in numbers, if there is a difference between them, the bill is valid for a smaller amount.

Article 1010. Invalid signatures on a bill of exchange

If the bill of exchange contains the signatures of persons unable to take responsibility for forged signatures or signatures of fictitious persons, or signatures that cannot bind the person signed or on whose behalf the signatures were signed on any other basis, the signatures of other persons shall not lose their validity.

Article 1011. Signing a bill of exchange by a person without representative authority

Any person who signs a promissory note as a representative of a person without being authorized to act on behalf of the person bears the obligations under the promissory note and, if he has received payment on the promissory note, has the rights that the person he represents has. A representative who exceeds his powers is in the same situation.

Article 1012. Liability of the drawer

1012.1. The drawer is responsible for acceptance and payment.

1012.2. A drawer may assume liability for acceptance but not liability for payment.

Article 1013. Acceptance of promissory note

1013.1. The payer undertakes to pay the bill of exchange on time through acceptance. In the event of non-payment, the drawer may file a lawsuit against the acceptor.

1013.2. Acceptance is expressed through a written statement in the promissory note.

1013.3. If the bill must be paid within a certain time after presentation or if, due to a special condition, the bill must be presented for acceptance within a certain time, the acceptance must be made within that time.

1013.4. If the issuer of the bill of exchange has indicated a place other than the payer's residence place of residence as the place of payment in the bill of exchange and has not indicated to which party the payment should be made, the payer may indicate that person during acceptance.

1013.5. If the bill is payable at the payee's residence or place of residence, the payee may in the acceptance any address at which payment is to be made.

1013.6. The payer may limit acceptance to a portion of the bill amount.

1013.7. In other matters, acceptance should be simple and not conditioned by anything. A change made by the acceptor in the contents of the bill of exchange is equivalent to a rejection of acceptance.

Article 1014. Submission of bill of exchange for acceptance

1014.1. Any person who holds a bill of exchange or has a bill of exchange can present the bill of exchange to the payer at his place of residence for acceptance until the payment term is reached.

1014.2. The drawer may:

1014.2.1. stipulate in the bill of exchange that the bill may be presented with or without a limit for acceptance;

1014.2.2. prohibit its presentation for acceptance, with the exception of a bill of exchange payable to a third person or a bill payable elsewhere than at the payer's residence or location, payable after a certain period of time after presentation;

1014.2.3. stipulate that the bill cannot be presented for acceptance earlier than a certain period of time after presentation;

1014.3. Each indorser may stipulate that a bill may be presented with or without a limit for acceptance, provided that the drawer does not prohibit its presentation for acceptance.

1014.4. A bill of exchange payable within a specified time after presentation must be presented for acceptance within one year from the date of issue. The drawer may specify another period. The drawer can shorten this period.

Article 1015. Withdrawal of acceptance on a bill of exchange

1015.1. If the payer who wrote a note about his acceptance in the bill of exchange crosses out the note until the bill is returned, it is considered that the acceptance has been refused.

1015.2. However, if the payer has given written information about his acceptance to the holder of the bill of exchange or any of the signatories of the bill, he shall be liable to them in accordance with the conditions of his acceptance.

Article 1016. Aval (promissory note guarantee)

1016.1. Payment on a bill of exchange can be secured in whole or in part by means of a bill of exchange (aval).

1016.2. Aval can be given by a third party or one of the signatories on the promissory note.

1016.3. The bill guarantee is given in the bill of exchange or in the supplementary signature of the drawer, who is not the payer or the drawee, on the face of the bill of exchange.

1016.4. At the beginning, it should be indicated whose account it is given to. If this is not indicated, it is considered that the original bill was issued to the account of the issuer.

1016.5. The plowman is as responsible as the person who gave the aval for him. His obligation remains valid even if the obligation he guarantees is invalid.

1016.6. By paying the promissory note, the bailee acquires the rights arising from that promissory note against the guarantor and against all those who are liable to him due to the promissory note.

Article 1017. Transfer of promissory note to someone else

1017.1. Any bill of exchange can be transferred by endorsement.

1017.2. Endorsement may also be executed in favor of the drawer and any other person liable on the bill. This also applies to the payer whether he accepts the bill or not. These persons can also endorse the bill.

Article 1018. Liability of the endorser

Unless otherwise specified in the agreement, the endorser is responsible for acceptance and payment. If the indorser prohibits further endorsement in his endorsement, he is not liable for persons endorsed in favor of the bill.

Article 1019. Presumptions in favor of the holder of the promissory note

1019.1. A holder of a bill of exchange is a legal holder of a bill of exchange if he bases his rights on a series of indorsements, even if the last endorsement is a blank indorsement. Endorsements crossed at this time are considered unwritten. If a blank endorsement is followed by another endorsement, the person who signed the latter is deemed to have received a bill of exchange on the blank endorsement.

1019.2. If the previous promissory note holder has lost the transfer promissory note for any reason, the new promissory note holder who proves his right under Article 1019.1 of this Code is obliged to return the promissory note only if he obtained it illegally or was grossly negligent while obtaining it.

Article 1020. Endorsement of reassignment

1020.1. If any proviso to a simple assignment is made in the endorsement, the holder of the bill may exercise all the rights arising from the bill of exchange, but endorse it only in reassignment.

1020.2. An assignment contained in a reassignment endorsement is not terminated by the incapacity of the reassignor.

Article 1021. Pledge endorsement

If the indorsement contains a stipulation providing for lien, the holder of the bill may exercise the rights arising from the bill of exchange, but the indorsement made by him has the effect of a reassignment indorsement only.

1022.1. An endorsement executed after the payment period has the same consequence as an endorsement executed before that period.

1022.2. An undated endorsement is deemed to have been executed until the expiration date unless the contrary is proved.

Article 1023. Bill of exchange payment time (payment periods)

1023.1. A bill of exchange can be issued with the following payment terms:

1023.1.1. moment of presentation;

1023.1.2. within a certain period after submission;

1023.1.3. at the specified time after it is drawn up;

1023.1.4. on a certain day.

1023.2. Bills of exchange with different payment terms or several consecutive payment terms are not invalid.

Article 1024. Bill of exchange due at the moment of presentation

1024.1. A bill of exchange due at the time of presentation must be paid immediately at the time of presentation. The bill must be presented for payment within one year from the date of its issue. The issuer of the promissory note may shorten or set a longer period. Endorsers can shorten these periods.

1024.2. The drawer may determine that a bill of exchange due at the time of presentation can be presented for payment earlier than a certain period. In this case, the submission period starts from the time of presentation.

Article 1025. Bill of exchange payable within a certain period after presentation

1025.1. After submission, the payment period for the bill of exchange issued with a certain period is determined by the date specified in the acceptance.

1025.2. If the date is not specified in the acceptance, the bill of exchange shall be considered accepted for the acceptor on the last day of the period for submission for acceptance.

Article 1026. Calculation of payment periods for promissory notes

1026.1. The payment period for a bill of exchange issued for a period of one or more months starts from the date of its preparation or presentation and reaches the corresponding day of the month in which the payment is to be made. If there is no corresponding day in that month, the payment deadline is the last day of that month.

1026.2. If the bill of exchange is issued for a period of one and a half months or several months and half a month after the drawing up or presentation, full months are calculated first.

1026.3. If the payment period is set to the beginning, middle, or end of the month, these expressions mean the first, fifteenth, or last day of the month.

1026.6. If a bill of exchange is to be paid on a certain day in any place where a calendar from the calendar of the place of issue is accepted, the payment period is considered to be set according to the calendar of the place of payment.

1026.7. If different calendars are in force at the place of issuance of the bill of exchange issued with a certain payment term after preparation and at the place of payment, the date corresponding to the date of issuance is determined in the calendar of the place of payment and the payment period is determined depending on it.

1026.8. Terms for submitting bills of exchange are calculated according to Article 1026 of this Code.

Article 1027. Submission of a promissory note for payment

1027.1. After it is drawn up or presented, the holder of a bill of exchange issued with a certain payment term must present the bill of exchange for payment either on the day it is due or on one or two business days following that day.

1027.2. If the bill of exchange is not presented for payment within the period specified in Article 1027.1 of this Code, the debtor may deposit the amount of the bill of exchange to the court at the residence of the creditor.

Article 1028. Submission of receipt of payment. Partial payment

1028.1. When paying a bill of exchange, the payer may require the holder of the bill to present the bill to him with a receipt for payment.

1028.2. The holder of the bill cannot refuse to accept partial payment.

1028.3. In case of partial payment of the promissory note, the payer may request that such payment be noted on the promissory note and a receipt for this be given to him.

Article 1029. Payment on a promissory note until and upon maturity

1029.1. The holder of the bill of exchange is not obliged to accept the bill of exchange for payment until its due date.

1029.2. The payer who pays the promissory note before the due date does so at his own risk.

1029.3. The person who pays the bill on time is exempt from liability.

1029.4. The payer is obliged to check the correctness of the consecutive order of endorsements. The holder is not obliged to check the signatures of the endorsers.

Article 1030. Promissory notes issued in foreign currency

1030.1. If the bill of exchange is written in foreign currency, its amount can be paid in national currency at the exchange rate of the day of payment. If the debtor has delayed the payment, the holder of the bill of exchange may, at his discretion, demand that the amount of the bill of exchange be paid either in national currency at the exchange rate of the day of payment or the day of payment.

related at the exchange rate specified in the promissory note.

1030.3. The provisions of Articles 1030.1 and 1030.2 of this Code shall not be applied if the promissory note stipulates that the payment must be made in a certain currency specified in the promissory note.

Article 1031. Refusal to pay or accept a bill

1031.1. If payment of the bill of exchange is refused, the holder of the bill of exchange may exercise his recourse rights against the indorsers, the drawer and other obligees of the bill when the maturity term is reached.

1031.2. If the payer refuses acceptance of the bill of exchange in whole or in part, the sum due on the bill belongs to the holder of the bill of exchange until the payment term is reached.

Article 1032. Refusal of acceptance or payment by official act (protest)

1032.1. Refusal of acceptance or payment must be confirmed by an official act drawn up in accordance with Article 1033 of this Code (protest to refusal of acceptance or payment).

1032.2. Protest against refusal of acceptance must be submitted within the specified time limit after the submission of the bill of exchange for acceptance. If the first presentation of the bill for acceptance takes place on the last day of the period, the protest can be filed on the next day.

1032.3. A protest against the refusal to pay a bill of exchange with a fixed payment date or a bill of exchange with a payment period after it has been drawn up or presented must be filed within one of two business days after the day the bill of exchange is due. The protest regarding the bill of exchange, which has a fixed payment date or a payment period, must be submitted within the time limits specified in Article 1032.2 of this Code.

1032.4. Filing a protest against the refusal of acceptance exempts the bill from being presented for payment and protest against the refusal to pay.

1032.5. When the payer stops making payments, regardless of whether he accepts the bill or not, the holder of the bill can exercise his rights only after the bill has been presented to the payer for payment and a protest has been filed.

Article 1033. Filing a protest against refusal of acceptance or payment on a promissory note

1033.1. The protest must be drawn up by an executive officer, a notary or another person authorized by the Central Bank of the Republic of Azerbaijan to draw up official documents. [\[643\]](#)

1033.2. The following information must be indicated in the protest:

1033.2.1. the name of the protester;

1033.2.2. the name of the person against whom the protest is directed;

1033.2.3. showing that requests to the person to whom the protest is directed to make the payment or to execute the acceptance have been unsuccessful; or showing that it cannot be located; or indicating that it is impossible to determine the place of residence or whereabouts of the person to whom the protest is directed.

1033.3. The person making the protest signs it and puts a seal or stamp on the reverse side of the bill of exchange or on the sheet attached to it.

1033.4. If a protest is filed when presenting several copies of the same bill of exchange presenting its original and a copy, it is sufficient to write the protest on one of the copies or the bill. In other copies or copies, it should be noted on which copy the protest is written or the protest note actually exists. This note must be signed by the person who drew up the protest.

1033.5. If a protest is given because the acceptance is limited to a part of the bill amount, the bill of exchange is drawn up and the protest is written on that copy or on a sheet attached to it. Endorsements and other notes contained in the bill of exchange must also be in its copy.

1033.6. If several claims arising from a bill of exchange are to be made against several persons against the same person, it is sufficient to draw up a single protest for multiple claims.

1033.7. The person making the protest must keep a copy of it. The following must be specified in this copy:

1033.7.1. bill amount;

1033.7.2. payment term;

1033.7.3. the place and date of the protest;

1033.7.4. the name of the issuer of the promissory note, the payer, as well as the name of the person to whom or by whose order the payment should be made.

Article 1034. Notification on refusal of acceptance or payment on a bill of exchange

1034.1. The holder of the bill of exchange must notify his indorser and the drawer of the bill of exchange of the refusal of acceptance or payment within four working days after the day of protest. Each indorser must in turn notify the previous indorser about this notification within two working days after receiving the notification, indicating the names and addresses of those who sent the previous notifications, including the issuer of the bill. The flow of the above-mentioned periods starts from the day of receipt of the previous notification.

1034.2. If, according to Article 1034.1 of this Code, a notice is sent to the person who signed the bill of exchange, the same notice must be sent to the person who signed the bill of exchange in the same period.

1034.3. If any of the indorsers does not indicate their address or is confused, it is sufficient to send the notice to the previous indorser.

1034.4. Notice may be given in any form, even by simple return of a bill of exchange.

1034.5. The person who has to send the notification must prove that he sent it within the specified period. If the letter containing the notification is sent by mail within the specified period, it is considered that the period has been observed.

1034.6. The person who does not send the notice within the above-mentioned period loses his rights, but he is liable for the damage that may occur due to his carelessness up to the amount of the bill.

Article 1035. Exemption from protesting refusal of acceptance or payment on a bill of exchange

1035.1. The drawer, indorser or drawee may, by a stipulation inserted and signed in the bill

1035.2. This stipulation does not relieve the holder of the bill of exchange from the obligation to present the bill of exchange and send notice within the specified time. In the dispute with the holder of the promissory note, the person who refers to this case must prove that the deadlines have been observed.

1035.3. If the stipulation is entered by the promissory note, this stipulation is valid for all persons who signed the promissory note. If the endorsement is entered by the indorser or consignee, the endorsement is valid for them.

Article 1036. Liability of obligees on a promissory note

1036.1. All persons who issued, accepted, endorsed or co-endorsed the bill of exchange are joint debtors to the holder of the bill of exchange.

1036.2. The holder of the promissory note has the right to make a claim against each of the persons individually or together without waiting for their sequence.

1036.3. Anyone who has signed a bill of exchange has the same right after paying it.

1036.4. If it is mentioned in the bill of exchange about its acceptance, in the case of its acceptance the protest against the non-payment of the bill is an executive document and is the basis for the removal of the funds from the payer's account. If there are no funds in the payer's account, the protesting applicant has the right to demand that the obligations under the bill be transferred to the property of the debtor under the bill.

1036.5. The right to pay the bill holder's claims at the expense of the property of the payer of the promissory note, except for the case specified in Article 1036.4 of this Code, is implemented on the order of execution of court decisions. Except for the cases where the promissory note is co-endorsed, the court shall make a decision in favor of the holder of the promissory note in the execution procedure (within seven working days) based on the registered and protested promissory note in accordance with the requirements of the law, regardless of the contractual conditions that are stipulated for issuing the promissory note. [\[644\]](#)

Article 1037. Right of the holder of the bill in case of refusal of payment or acceptance

1037.0. The holder of the promissory note may demand the following from the claimant:

1037.0.1. The amount of the unaccepted or unpaid bill of exchange and interest, if stipulated;

1037.0.2. Interest from the due date;

1037.0.3. Expenses for protest and notification, as well as other expenses.

Article 1038. Rights of the payer

The payer may demand the entire paid amount, the interest calculated on that amount from the date of payment, and the expenses incurred by the persons liable to him.

Article 1039. Submission of promissory notes

receipt for payment.

1039.2. Each indorser who has paid the bill of exchange can cross out his endorsement endorsements of subsequent endorsers.

Article 1040. Request for recourse after partial acceptance

In the event that a claim for recourse is made after partial acceptance, the payer of the non-amount of the promissory note may request that the said payment be recorded in the promissory note and a receipt be issued to him. The holder of the promissory note must also give him a certified copy of the promissory note and the deed of protest so that he can exercise the subsequent recourse claim.

Article 1041. Backtracking

The person entitled to make a claim may, unless there is an agreement to the contrary, backtrack the payment by issuing a new promissory note payable at the person's place of residence, which is valid from the time when the payment period is presented to one of the obligees (reverse draft).

Article 1042. Losing the rights of the holder of the promissory note when the period has passed

1042.1. The holder of a promissory note loses its rights against the indorsers, against the issuer of the promissory note, and against other persons liable for the promissory note, except for the rights of the holder, upon the expiration of the periods specified for the following:

1042.1.1. for the presentation of a bill of exchange payable at the time of presentation or within a certain period after presentation;

1042.1.2. for filing a protest as a result of refusal of acceptance or payment;

1042.1.3. to submit for payment subject to appropriate reservation.

1042.2. If the bill holder does not present the bill for acceptance within the period stipulated in the issuer of the bill, the holder of the bill loses the rights arising from refusal of payment and non-acceptance and belonging to him.

1042.3. If the period for presenting the bill for payment is stipulated in the endorsement, the indorser can refer to it.

1042.4. If there is an unavoidable obstacle to the presentation of the bill of exchange or the filing of a protest within the specified period, the periods specified for such actions are extended to the period of force majeure and 14 days are added to this period. Circumstances relating to the holder of the promissory note personally or to the person he instructs to present or protest the promissory note are not considered force majeure.

Article 1043. Issuance of several copies of the promissory note

1043.1. A bill of exchange may be issued in several identical copies. These copies must be numbered consecutively on the bill itself; otherwise, each of them is considered a separate bill of exchange.

the endorser before him. That indorser must assist him in relation to his own indorser and indorsers, including the drawee. Endorsers are obliged to reproduce their endorsements in new

1043.2. Payment for one copy terminates the rights arising from all remaining copies, payment for one copy does not indicate that all remaining copies are void. However, the payer is to be responsible for each copy accepted by him and not returned to him. The indorser who copies to different persons, as well as the subsequent indorsers, are responsible for all copies signed not returned by themselves.

1043.3. Whoever sends one of the copies for acceptance must indicate on other copies with that copy. The person who has that copy is obliged to give it to the legal holder of the other copy. If he refuses to do so, the holder of the promissory note may exercise his right of action or confirmation by protest of the following:

1043.3.1. the copy sent for acceptance was not given to him despite his request;

1043.3.2. acceptance or payment could not be obtained on another copy.

Article 1044. Copies of promissory notes

1044.1. Anyone holding a bill of exchange can make a copy of it.

1044.2. The copy must accurately reproduce the original with endorsements and all other conditions. In the copy, it should be indicated to which endorsement it is valid.

1044.3. A copy may be endorsed and endorsed in the same manner and with the same result as the original.

1044.4. The copy must indicate who owns the original document.

1044.5. If there is a stipulation after the last endorsement of the document before its copy is made, that only the endorsement in the copy is valid, the endorsement made after that in the original document becomes invalid.

Article 1045. Changing the text of the bill

If the text of the bill of exchange is changed, the persons who signed after this change are responsible according to the content of the changed text; Signatories until the change are responsible according to the content of the previous text.

Article 1046. Time limits for claims arising from a bill of exchange

1046.1. Claims arising from the bill of exchange against the acceptor are paid three years after the due date.

1046.2. Claims of the holder of the promissory note against the indorsers and the issuer of the promissory note are paid within the specified period one year after the day of the protest.

1046.3. Claims of indorsers against each other and against the issuer of the promissory note are paid six months after the day the endorser pays the promissory note and the day the claim is made against him.

1046.4. When calculating the periods specified in the legal or promissory note, the

Article 1047. Promissory note invalidation

A lost or destroyed bill may be declared void by the court of the place of payment.

Article 1048. Simple promissory note. Props

1048.1. A promissory note must state the following:

1048.1.1. the name "promissory note" included in the text itself;

1048.1.2. a simple and unconditional promise to pay a certain amount;

1048.1.3. requisites specified in Articles 1005.1.4-1005.1.9 of this Code.

1048.2. A document without any of the requirements specified in Article 1048.1 of this Code does not have the force of a simple promissory note.

1048.3. The issuer of a promissory note is liable on the same basis as the acceptor of a bill of exchange.

1048.4. After presentation, fixed-term promissory notes must be presented to the promissory issuer within the time limits specified in Article 1014.4 of this Code. The drawer must confirm that the bill has been presented, indicating the date and putting his signature. After submission, the running period starts from the day of making a record of submission.

1048.5. In other cases, the provisions applicable to bills of exchange apply to simple promissory notes.

Article 1048-1. Treasury bill [\[645\]](#)

1048-1.1. A treasury promissory note is a simple promissory note issued to determine the amount of funds to be paid from the state budget or to attract free funds from individuals for a short period of time.

1048-1.2. Treasury bills are issued in the following cases:

1048-1.2.1. if there are not enough funds at the disposal of the treasury during the payment intended for budget organizations;

1048-1.2.2. in cases of attracting funds to meet the current needs of the budget;

1048-1.2.3. when the budget owes to enterprises and organizations regardless of the ownership (taxes that have already been paid, amounts to be returned, etc.).

1048-1.3. The maturity of the treasury bill can be as follows:

1048-1.3.1. within a certain period of time after being drawn up;

1048-1.3.2. on a specified day.

1048-1.4. A Treasury bill must be paid during the fiscal year in which it is issued. [\[646\]](#)

1048-1.5. A treasury bill can be used as a means of payment for goods purchased, work services rendered.

1048-1.6. A treasury bill can be recorded in an accounting institution in the appropriate manner.

1048-1.7. Treasury bills can be bought and sold in the secondary market in compliance with relevant legislation. In order to carry out these transactions, the holder of the promissory note

1048-1.8. Treasury bills can be presented to the treasury by legal entities instead of tax debts to the budget.

1048-1.9. A treasury bill cannot be presented to the treasury for payment before maturity.

1048-1.10. When a treasury bill is due, it is presented to the issuing treasury (payer) for and paid by it. When the treasury (payer) refuses to pay a treasury bill, the holder of the bill accordance with the law, establish the refusal to pay with an official act of protest.

1048-1.11. In order to attract the free funds of legal and natural persons to the budget, the bill is issued as a discount security and is realized by the treasury at a price lower than its value, and when it is paid, the payer pays the full amount of the bill to the holder of the bill.

Article 1048-2. Accounting of bills [\[647\]](#)

1048-2.1. Accounting of promissory notes is the transfer of the promissory note to the ac organization by the holder of the promissory note until the time of payment, and in exchange f remaining amount is received after deducting the discount amount from the promissory note an

1048-2.2. In the Republic of Azerbaijan, accounting, domiciliation, acceptance of bills of e provision of services for payment of bills and other operations on bills of exchange can be pe only by accounting organizations registered *with the Central Bank of the Republic of Azerbaija* institutions, bill houses and other specialized financial and investment institutions).

1048-2.3. Rebooking of promissory notes is the purchase by the Central Bank of promissc received from the bank that records the promissory note before the payment date by paying the of the promissory note at a discount.

1048-2.4. Rules for accounting and re-accounting of promissory notes are determined by *acts of the Central Bank of the Republic of Azerbaijan* . [\[648\]](#)

§4. Czech [\[649\]](#)

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Article 1049. Definition of a check and its content

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~~1049.1. A check is a security with a warrant, it consists of a written order given by the che to the bank to pay the stated amount of money to the owner of the check, and it is not conditi anything.~~

~~1049.2. The check must contain the following details:~~

~~1049.2.1. the name "cheque" included in the text of the document;~~

~~1049.2.2. a simple and unconditional assignment to pay a certain sum of money;~~

~~1049.2.3. the name of the bank to execute the payment;~~

~~1049.2.4. indicating the place of payment;~~

~~1049.2.5. indicating the date and place of the check;~~

~~1049.2.6. check drawer's signature.~~

~~1049.4. Checks include settlement check, bank check, cashier's check and traveller's check.~~
~~1049.5. A settlement check is a check that provides for non-cash settlement of accounts.~~
~~1049.6. A bank check is a check issued by one bank to another bank for interbank settlement~~
~~1049.7. A cashier's check is a written order to withdraw cash from a customer's bank account~~
~~1049.8. A traveler's check is an obligation of the organization that undertakes to pay the~~
~~written in the check to the owner of the check, whose signature is shown in the check issue~~
~~point, and is a check that is cashed at another point. Payment of travel checks is carried out by t~~
~~of the check, its branch or other organization specified by the issuer, based on the owner's signat~~
~~1049.9. The rules of issuing and circulation of checks in the Republic of Azerbaijan are det~~
~~by the normative legal acts of the relevant executive authority that regulates the securities marke~~

Article 1050. Application of promissory notes provisions to checks

~~The provisions of articles 1005.2.4, 1006, 1009-1012 of this Code are also applied to the regu~~
~~relations arising from checks, except for the provisions on the acceptance of a bill of exchange.~~

Article 1051. Request for guarantee of the check

~~1051.1. A check can be issued only in cases where the issuer of the check has the right to d~~
~~the funds in the bank accounts and the checks for those funds.~~

~~1051.2. The bank has the right to refuse to pay the check if the funds of the check issuer or t~~
~~given to him are insufficient for the payment of the check. When the bank pays the unsecured~~
~~the rights of the check holder are transferred to it. When the bank refuses to pay the check in wh~~
~~part, the following consequences must occur:~~

~~1051.2.1. the check issuer, or the person who signed the fully or partially unpaid check in~~
~~the check issuer, as co-debtors, must compensate the check owner for damages in the amo~~
~~percent of the unpaid part of the check amount. The check holder's right to claim compensation~~
~~damages is reserved;~~

~~1051.2.2. the bank must note that the check has not been fully or partially paid due to th~~
~~security and must send it to the owner of the check without delay, and immediately notify the~~
~~Bank of the Republic of Azerbaijan, which compiles the register of check issuers who have sign~~
~~checks;~~

~~1051.2.3. the issuer of an unsecured check is not permitted to issue checks for one year a~~
~~immediately return all check blanks in his possession to the paying bank and all other banks of~~
~~is a customer. The paying bank shall immediately request this in writing from the issuer of t~~
~~and all persons authorized to dispose of the funds in the accounts and shall prohibit them from~~
~~checks thereafter;~~

~~1051.2.4. within one month after this request, the issuer of the check shall provide pro~~
~~paying bank that he has paid the unpaid part of the check amount, as well as that he i~~
~~compensation for the loss in accordance with Article 1051.2.1 of this Code, or that he has taken~~
~~the paying bank has sufficient funds for the full payment of those amounts if he does, the prohi~~

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~~The payee should not accept the check. The acceptance written on the check is invalid.~~

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Article 1053. The name of the person authorized to receive payment on the check

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~~1053.1. Check can be written:~~

~~1053.1.1. in the name of a certain person;~~

~~1053.1.2. to submitter (untitled).~~

~~1053.2. A check is deemed to be a bearer check if it is made out to a specific person with the "or to bearer" or with a proviso to that effect.~~

~~1053.3. A check without the owner's name is considered a bearer check.~~

~~1053.4. A check can be made payable to the drawer himself.~~

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Article 1054. Invalidity of the stipulation written on the check about interest

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~~The stipulation written on the check about interest is considered invalid.~~

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Article 1055. Giving the check to someone else

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~~1055.1. A check issued to a certain person and presented for payment can be given to person through an endorsement.~~

~~1055.2. A check can also be issued through endorsement to the drawer and any person liable check. In turn, these persons can also endorse the check.~~

~~1055.3. Endorsement of the paying bank is invalid. An endorsement without a name is considered blank endorsement. Except for the cases where the bank has several departments (branches) endorsement is made in favor of another department and not the department to which the check is issued, the endorsement for the bank has only the effect of a payment receipt.~~

~~1055.4. The provisions of articles 993.3-993.4, 1018 and 1020 of this Code are also applied to checks except for the provisions on the acceptance of a bill of exchange.~~

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Article 1056. Presumption in favor of the owner of the check. Loss of check

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~~1056.1. Article 1019.1 of this Code applies to the possibility in favor of the check holder.~~

~~1056.2. When the holder of the check loses the check, the holder of the check, whether it is a check or a check issued by endorsement, is bound to return the check only if he obtained it dishonestly or was grossly negligent in obtaining it.~~

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Article 1057. Check guarantee (aval)

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~~The payment of the check amount can be fully or partially guaranteed by the drawee through an aval (cheque guarantee). Such a guarantee for payment can be given by any third party, excluding the issuing bank, or by the person already signed on the check.~~

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~~1058.1. Check payable upon presentation. Any other instruction is invalid.~~

~~1058.2. A check payable in the country of issue must be presented for payment within one month. A check that is payable in a country other than the country of issuance must be presented for payment within two months if the place of issue and payment is on the same continent, and within three months if it is on different continents. Also, checks issued on the territory of one state that is a member of the Commonwealth of Independent States and payable on the territory of another state that is a member of the Commonwealth of Independent States are considered checks issued and payable on the territory of the same continent. The flow of the above-mentioned periods starts from the day indicated on the check or the date of its issuance.~~

~~1058.3. If the check has to be paid in a different calendar than the calendar of the place of issue, the date corresponding to the day of issue and the payment period are determined according to the calendar of the place of payment.~~

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Article 1059. Withdrawal of check

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~~1059.1. Cashback of a check is valid only after the expiration of its presentation period.~~

~~1059.2. If the check is not returned, the bank can execute the payment even after the expiration of the check presentation period.~~

~~1059.3. If the issuer of the check confirms that he or any third party has lost the check, he can prohibit the payee from making the payment.~~

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Article 1060. Consequences of the check issuer's death, incapacity and insolvency

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~~The validity of the check is not affected by the death or incapacity or declaration of insolvency of the drawer after the issue of the check.~~

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Article 1061. Payment by check and receipt for payment. Checks issued in foreign currency

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~~Articles 1028, 1029.4 and 1030 of this Code shall be applied accordingly to payments by check and receipt of payment and checks in foreign currency.~~

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Article 1062. Scratched check

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~~1062.1. The check issuer, as well as any check holder, may scratch the check with the consent of the bank provided for in Articles 1062.2-1062.6 of this Code. Scratching is done by drawing two parallel lines across the face of the check. Scratching can be general or specific. If there is no indication between the lines of the note "bank" or any other note of the same meaning, the scratch is considered general. If the name of the bank is written between the lines, the scratch is considered special. A generic scratch can be converted to a specific, but a specific scratch cannot be converted to a generic. Blacking out of the check or the name of the specified bank is considered invalid.~~

~~1062.2. The payee can pay a check with a common scratch only to the bank or to his own order.~~

pt the check.

~~1062.4. A bank can accept a scratched check only from its own customer or from another ba~~

~~1062.5. A check with several special scratches can be paid by the payer only if no more t scratches are made on the check.~~

~~1062.6. The payer or bank that does not comply with the above instructions is obliget compensation for the damage in an amount not exceeding the amount of the check.~~

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Article 1063. Settlement check

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~~1063.1. The drawer of a check, as well as any holder of a check, may prohibit the paym check in cash by writing on the face of the check the note "settlement" or another note o meaning. In this case, the payer can pay the check only through account-to-account transfer (se transfer, non-cash settlements). The bill is considered a payment. Violation of the "Settlement" considered invalid. The payer who does not comply with the above instructions is obliget compensation for the damage in an amount not exceeding the amount of the check.~~

~~1063.2. If the payer has been declared insolvent or has stopped making payments t attachment against his property has failed, the holder of the settlement check may require the pay the check in cash, and exercise his right of recourse if the check is not paid. This rule is also if the owner of the check is unable to dispose of his accounts with the payer as a result of the r taken under the Law on Banks.~~

~~1063.3. The holder of the settlement check has the right to file a claim, but he must prove payer refuses to make a simple and unconditional entry on the account, or that the relevant se authority at the place of payment declares the check unusable for non-cash settlements for the of payment of obligations. has done~~

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Article 1064. Claim as a result of non-payment on a check

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~~1064.1. If a check presented on time for payment is not paid, the owner of the check can fil against the endorsers, the check issuer and other obligees on the check.~~

~~1064.2. The holder of the check may request the following from the claimant:~~

~~1064.2.1. if the check has not been paid, payment of the check amount;~~

~~1064.2.2. payment of interest;~~

~~1064.2.3. payment of expenses;~~

~~1064.2.4. a penalty of not more than one-third of the interest.~~

~~1064.3. If an insurmountable obstacle prevents the timely presentation of the check, Article this Code shall be applied to the extension of the time periods for presenting the checks for paym~~

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Article 1065. Forged check

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~~The payer bears the loss in connection with the payment of a fraudulent or forged check, t that the issuer of the check indicated in the check is not at fault, for example, he did not ne check from entrusted to him~~

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~~Article 1045 of this Code applies to changing the text of a check.~~

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Article 1067. Claim periods for check obligations

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~~Claims of the check owner against the endorsers, the check issuer and other persons liable check arising from the check are paid one year after the expiration of the presentation period. € a check obligee against another check obligee shall be paid one year after the date of payment check by the obligee or the payment of the check by the court order.~~

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Article 1068. Annulment of check

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~~Article 1047 of this Code applies to declaring a check invalid.~~

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Article 1069. Calculating the terms of presenting a check for payment

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~~Check must be presented for payment on business days only. If the last day of the sul period falls on a Sunday or other non-working day, the period is extended until the next work Non-working days during the period are taken into account when calculating the period.~~

§5. Bond

Article 1070. Concept of bond [\[651\]](#)

A bond is a debt investment security that certifies that the issuer is indebted to the bond owner interest (coupon) or discount and principal on a specified date, depending on its terms.

Article 1071. Payment of claims arising from debt obligations in the form of bonds - 1
[\[652\]](#)

Article 1072. Declaration of invalidity of bonds – removed.

Article 1073. Interest-bearing securities coupons, annuity securities and dividend co
removed.

Article 1074. Cards, stamps and similar documents - removed.

Article 1075. Open debt bonds. Obligation of emission prospectus – removed.

~~**Article 1076. Convertible debt bonds**~~ [\[653\]](#)

...curities of the same type or the preferential right to acquire new shares. [\[654\]](#)

~~1076.2. Convertible debt bonds may be issued or listed on the stock exchange only on the basis of the prospectus. Article 1078-12 of this Code shall be applied accordingly regarding the emission process. In addition, the following should be indicated in the prospectus:~~

~~1076.2.1. the period of exchange of bonds or acquisition of shares;~~

~~1076.2.2. in what proportion should conversion of convertible debt bonds be carried out in or in what amount of shares can be acquired on the basis of preferential rights related to debt obligations in the form of convertible debt bonds;~~ [\[655\]](#)

~~1076.2.3. in which amount additional fee is possible.~~

~~1076.3. The holder of a convertible debenture may be satisfied with its rights under the bond and may not be obliged to exercise the right of exchange or the right of pre-emption.~~

Article 1076-1. Secured bonds [\[656\]](#)

1076-1.1. Secured bonds are bonds in which obligations arising from them are secured by a pledge, guarantee, as well as by a state or municipal guarantee. [\[657\]](#)

1076-1.2. With the passing of the rights on the secured bonds, the rights on the security are considered passed. The transfer of security rights that is not accompanied by the transfer of the bonds is invalid.

1076-1.3. Information about collateral for secured bonds must be reflected in the bond issuance decision and issue prospectus (*information memorandum*). [\[658\]](#)

1076-1.4. When the security for secured bonds is provided by a third party, that person must be mentioned in the bond issuance decision. If the person who submitted the guarantee is a legal entity, the decision on the issuance of bonds is signed by *all members of the sole executive body or collegial executive body* of the legal entity and confirmed with a seal. [\[659\]](#)

1076-1.5. The value of collateral for secured bonds shall not be less than the total nominal value of the bonds and the interest payable (if any).

~~1076-1.6. On secured bonds, if the issuer fails to fulfill its obligations for any reason, including the result of bankruptcy, investors have the right to obtain the subject of the security in a superpriority compared to other creditors of that issuer.~~ [\[660\]](#)

Article 1076-2. Collateral agent for covered bonds [\[661\]](#)

1076-2.1. The manager of collateral for secured bonds is an investment company, central depository, or other entity acting as a pledger of the collateral on its own behalf for the benefit of the owners of the bonds in order to ensure that, whether the collateral meets the requirements of the legislation and the issue prospectus (information memorandum). There should be no mutual dependence between the issuer and the manager.

~~1076-2.2. The executor is defined in the issuer's decision on the issue of bonds and operates on the basis of the~~

1076-2.3. *If the agent commits an action or inaction that does not comply with the requirements of the legislation and the issue prospectus (information memorandum) or does not meet the requirements set for in this Code, the issuer must replace the agent with another person at the request of the Central Bank of the Republic of Azerbaijan.* [\[662\]](#)

1076-2.4. *The Administrator shall not be liable for any damage caused by his actions or inaction or performance of his rights and duties, provided that such actions or inactions are not proven to be the illegal or dishonest actions.*

Article 1076-3. Collateralized bonds

1076-3.1. *The subject of collateral for collateralized bonds may be investment securities, real estate certificates, real estate and movable objects registered in the official register, as well as mortgage cover securities.* [\[663\]](#)

1076-3.2. *Within an issue of collateralized bonds, each bondholder has the same rights with respect to the pledged property as all other holders of other bonds in that issue.* [\[664\]](#)

1076-3.3. *The pledge of the property on the bonds secured by the pledge is carried out in accordance with the procedures provided for the pledge in the legislation.*

~~1076-3.4. The securities that are the subject of the pledge on the collateralized bonds deposited in the depository in accordance with the legislation on securities and loaded with obligations are the subject of the pledge.~~ [\[665\]](#)

1076-3.5. *Prior to the state registration of the secured bonds, the securities subject to the pledge (including unissued securities) are deposited in the depository system in accordance with the Law of the Republic of Azerbaijan "On the Securities Market", and their pledge is registered.* [\[666\]](#)

1076-3.6. *After the restriction of the rights on the securities that are the subject of the pledge, the pledger gives official information about it.* [\[667\]](#)

1076-3.7. *In the event that the obligations on the bonds secured by the pledge are not fulfilled by the issuer or are not fulfilled properly, the property that is the subject of the pledge may be ordered to be sold by the executor in accordance with the law upon the written request of any of the owners of the bonds addressed to the executor. The executor examines the facts of non-fulfilment or improper fulfilment of the obligations on the bonds mentioned in the written request of the bond owner by the issuer, and when these facts are confirmed, directs the seizure of the subject of the pledge.* [\[668\]](#)

1076-3.8. *Funds obtained from the sale of mortgaged property are given to the owners of the mortgaged bonds. If the amount of funds obtained from the sale of the pledged property exceeds the amount of outstanding obligations on the bonds, this difference is returned to the issuer. If the obligations are fully paid.* [\[669\]](#)

1076-3.9. *The owners of secured bonds have the right to submit the requirements specified in Article 1076-3.7 of this Code within the period established by the legislation after the day of the end of the*

1076-4.1. The guarantee provided to ensure the performance of obligations on bonds formalized in accordance with the legislation.

1076-4.2. The guarantee provided to ensure the performance of the obligations on the bond be recalled until the obligations on these bonds are fully performed.

1076-4.3. The guarantee is kept by the trustee until the obligations of the bonds are fully fulfilled by the issuer.

Article 1076-5. Bonds secured by state and municipal guarantees

The procedure for issuing bonds secured by state and municipal guarantees is regulated by relevant legislation.

Article 1076-6. Mortgage bonds [\[671\]](#)

1076-6.1. *Mortgage bonds are bonds secured by a mortgage cover.*

1076-6.2. *The mortgage cover includes the main and additional assets.*

1076-6.3. *As main assets, the issuer's claim rights are related to the loans (mortgage loans) provided for the purchase of a residential area and secured by the mortgage of that or other residential area.*

1076-6.4. *Additional assets may include the following, not exceeding 20 percent of the nominal value of the mortgage cover:*

1076-6.4.1. *State securities of the Republic of Azerbaijan;*

1076-6.4.2. *securities of the Central Bank of the Republic of Azerbaijan or deposits of the issuer kept at the Central Bank of the Republic of Azerbaijan;*

1076-6.4.3. *securities issued by the states and central banks of those states determined by the executive authority.*

1076-6.5. *Unless otherwise specified by the normative act of the Central Bank of the Republic of Azerbaijan, mortgage bonds can be issued only in the currency of the main assets (mortgage loans) included in the mortgage cover.*

1076-6.6. *The repayment term of mortgage bonds calculated using the weighted average method shall not exceed the payment term calculated using the weighted average method of mortgage loans included in the mortgage cover. The procedure for calculating payment terms using the weighted average method is determined by the Central Bank of the Republic of Azerbaijan.*

1076-6.7. *Mortgage bonds can be issued only by credit organizations and institutions established by the relevant executive authority for the purpose of granting mortgage loans.*

1076-6.8. *The obligations of the issuer on mortgage bonds can be transferred in whole or in part together with the assets included in the mortgage cover of those bonds to third parties who have the right to issue mortgage bonds, as defined by Article 1076-6.7 of this Code, provided that such a case is stated in the issue prospectus (information memorandum) to be considered. In case of the issuer's bankruptcy or failure to fulfill its obligations as specified by Article 1076-13 of this Code, the issuer's obligations shall be transferred to third parties in the manner provided by that article.*

1076-7.1. Mortgage bonds must establish the right of their owners to receive interest in the manner specified in the mortgage bond issue prospectus (information memorandum). At this time payments must be made in accordance with the terms of the mortgage bonds, but at least once a year.

1076-7.2. Interest payments on assets included in the mortgage cover must ensure the payment of mortgage bonds.

1076-7.3. Unless otherwise stipulated by the normative act of the Central Bank of the Republic of A, if the mortgage loans included in the mortgage cover are issued with fixed interest rates, the interest on bonds should be fixed, and if the mortgage loans included in the mortgage cover are issued with variable rates, the interest on mortgage bonds should be variable. When variable interest rates are determined, in mortgage loans included in mortgage coverage and interest on mortgage bonds must be linked to the same rate base.

Article 1076-8. Features of issuing mortgage bonds

1076-8.1. In addition to the information stipulated in Article 5.3 of the Law of the Republic of A "On the Securities Market", the mortgage bond issue prospectus (information memorandum) should contain the following information:

1076-8.1.1. information on the assets included in the mortgage cover (value, composition, conditions of payment of debts);

1076-8.1.2. if early payment of mortgage bonds is envisaged, in this case the conditions of payment of early payment is not allowed, information about it;

1076-8.1.3. information about the media subjects where the information about the payment of bonds will be published; [\[672\]](#)

1076-8.1.4. information about the manager.

1076-8.2. In the case of early repayment of mortgage bonds, early repayment applies to all bonds of the same conditions.

1076-8.3. An issue of mortgage bonds issued by the issuer is secured by a mortgage cover. Providing an issue of mortgage bonds with one mortgage cover is allowed only if it is provided for in the pre-approval prospectus (information memorandum). [\[673\]](#)

Article 1076-9. Mortgage coverage requirements

1076-9.1. The assets included in the mortgage cover cannot be encumbered with other obligations. Assets included in the mortgage cover cannot be disposed of without the permission of the executor. In the event of the events provided for in Article 1076-13 of this Code, the funds received from the assets in the mortgage cover are kept in the issuer's account and are used at its discretion.

1076-9.2. When a mortgage loan is issued, only rights related to real estate assessed at market value by an independent appraiser are included in the mortgage cover.

1076-9.3. Rights related to loans secured by the mortgage of non-residential real estate, vacant land and unfinished construction cannot be included in the mortgage cover.

1076-9.4. In order to increase the liquidity of mortgage bonds, if the lower limit of the interest rate

ted in the amount of more than 85 percent of the calculated market value of the mortgage subject included in the mortgage cover.

1076-9.5. The value of the assets included in the mortgage cover in terms of the principal amounts is at least 110 percent of the total nominal value that the issuer has to pay for the mortgage bonds. In this calculation, the principal debt for each loan is included in the calculation, which is not more than 80 percent of the market value of the mortgage subject securing the loan.

1076-9.6. The terms of mortgage loans related to the rights included in the mortgage cover must provide for the payment of the principal debt and interest only in cash installments at least once a quarter during the term of the loan.

1076-9.7. Rights on loans classified as non-standard loans by the Central Bank of the Republic of Azerbaijan cannot be included in the mortgage cover. [\[674\]](#)

1076-9.8. The real estate related to the rights included in the mortgage cover must be insured against destruction or damage during the entire period of the mortgage loan obligation based on the market price less than the amount of the residual value of the secured loan.

1076-9.9. In mortgage contracts related to the rights included in the mortgage cover, alienation of the mortgage by the mortgagor without the consent of the mortgagee, burdening with other obligation or other disposition of the subject of the mortgage (except for cases of bequest), as well as actions that cause deterioration of the safety of the subject of the mortgage there must be a condition prohibiting action

Article 1076-10. Register of mortgage coverage

1076-10.1. When each issuer of mortgage bonds decides to issue bonds, it must create and maintain a register of the mortgage collateral securing the bonds under the control of the administrator.

1076-10.2. The assets are considered to be included in the mortgage coverage from the moment of corresponding entry in the mortgage coverage register.

1076-10.3. The register of mortgage coverage includes at least the following information:

1076-10.3.1. Details of the documents confirming the issuer's rights to the assets included in the mortgage cover;

1076-10.3.2. the amount of assets included in the mortgage cover (principal debt and interest rate), terms, or the conditions that allow determining these amounts;

1076-10.3.3. performance status of obligations on assets included in the mortgage cover;

1076-10.3.4. the name of the mortgage subject related to the rights included in the mortgage cover, description sufficient for its identification and its location;

1076-10.3.5. the value of the subject of the mortgage, which is related to the rights included in the mortgage cover, assessed by an independent appraiser.

1076-10.4. The register of mortgage coverage should be kept in paper and electronic form in accordance with the procedure determined by the Central Bank of the Republic of Azerbaijan. The register of mortgage coverage and changes made to it must be submitted to the Central Bank of the Republic of Azerbaijan.

1076-10.5. The assets included in the mortgage cover can be removed from the register of the mortgage cover or replaced with another asset only with the permission of the executor. The administrator must consider the issuer's request in this regard within five working days and inform the issuer of the result in writing.

Article 1076-11. Rights and duties of the mortgagee

1076-11.1. During the issuance of mortgage bonds, and if a shorter period is not determined by the act of the Central Bank of the Republic of Azerbaijan, at least once every six months, the manager checks the compliance of the mortgage cover with the requirements of Articles 1076-6 and 1076-9 of this Code. [\[675\]](#)

1076-11.2. If the mortgage cover does not meet the requirements of Articles 1076-6 and 1076-9 of this Code, the administrator shall notify the issuer in writing and demand the elimination of the detected violations. The issuer must eliminate all identified deficiencies no later than ten working days from the date of receipt of the request and submit relevant information and documents to the orderer.

1076-11.3. The executor submits the report on the result of the verification of the mortgage cover to the orderer in the form and manner determined by the Central Bank of the Republic of Azerbaijan.

1076-11.4. Notice of the violations detected by the administrator in the mortgage cover, but not eliminated by the issuer in accordance with Article 1076-11.2 of this Code and which may pose a significant threat to the issuer's payments, drawn up in the Azerbaijani language and in other languages in which the issue prospectus (information memorandum) is published, is published not later than five working days after the expiration of the period determined for the withdrawal, in the media entity where the issue prospectus (information memorandum) is published (in another media entity if that media entity is not active) and submit it to the Central Bank of the Republic of Azerbaijan. The Central Bank of the Republic of Azerbaijan shall post the notification on its website in the Azerbaijani language and other languages in which the issue prospectus (information memorandum) is published within three working days from the day of receipt. [\[676\]](#)

1076-11.5. The executor has the right to request information from the issuer about payments on mortgage bonds at any time and to review the relevant documents of the issuer. The issuer must submit the information and documents requested by the administrator no later than three working days from the date of receipt of the application. If the issuer does not respond to the request or does not respond fully, the orderer must immediately notify the Central Bank of the Republic of Azerbaijan in writing.

1076-11.6. In order to protect bond owners, the executor carries out the rights and duties established in this Code and the Law of the Republic of Azerbaijan "On the Securities Market" on mortgage coverage.

Article 1076-12. Accounting and pledge of assets included in the mortgage cover

1076-12.1. From the moment assets are included in the mortgage cover, their accounting is carried out separately from other assets of the issuer. The assets included in the mortgage cover cannot be seized for payment of the claims of creditors other than the bond owners, and the demand on those assets cannot be satisfied.

1076-12.2. According to this Code, the assets included in the mortgage cover are considered to be pledged in favor of the bond owners according to the law from the moment of approval of the issue prospectus (information memorandum) of mortgage bonds. According to the law, the lien applies to the assets included in the mortgage cover due to subsequent changes from the moment the executor gives written permission for such changes in accordance with Articles 1076-10.5 and 1076-10.6 of this Code. [\[677\]](#)

1076-12.3. The owners of the bonds have the right of priority over the other creditors of the issuer in the payment of the nominal value and interest paid on the mortgage bonds at the expense of the assets included in the mortgage cover.

1076-12.4. The bondholders have the right to equal preference over other creditors of the issuer balance of the assets included in this register after the claims of the bondholders secured by the issuer mortgage coverage register have been fully paid.

1076-12.5. Bondholders whose claims have not been paid in full due to mortgage coverage have equal with respect to the issuer's other unsecured liabilities in relation to the assets of the issuer that are not in the mortgage coverage.

Article 1076-13. Bankruptcy, compulsory liquidation and default of the issuer of mortgage

1076-13.1. When the issuer is declared bankrupt or in compulsory liquidation, none of the assets in the mortgage cover can be distributed among the other creditors of the issuer until the claims of the mortgage owners are fully paid.

1076-13.2. When the issuer is declared bankrupt, is forced to liquidate, fails to fulfill any conditions in the issue prospectus (information memorandum) regarding the performance of obligations, or continuously violates obligations established by this Code (hereinafter for the purposes of this article - non-fulfillment of obligations), bond owners cannot demand early payment of their bonds. In this case, the bond owners must comply with the requirements of this article regarding the sale of the assets included in the mortgage cover and other measures taken in connection with it.

1076-13.3. When the issuer is declared bankrupt, forced liquidation or fails to fulfill its obligations, the executor must provide written information to the Central Bank of the Republic of Azerbaijan, including information and existing documents confirming the facts of bankruptcy declaration, compulsory liquidation or non-fulfillment of obligations. Such information can be provided to the Central Bank of the Republic of Azerbaijan by any bond owner.

1076-13.4. The Central Bank of the Republic of Azerbaijan shall review that information within five working days from the date of receipt of the information specified in Article 1076-13.3 of this Code and, in the event the fact of the issuer's bankruptcy, forced liquidation or non-fulfillment of obligations is confirmed, the decision on the transfer of the assets included in the mortgage cover to the control of the administrator must be made by the decision of the manager and the issuer within one working day.

1076-13.5. From the day the decision specified in Article 1076-13.4 of this Code is delivered to the administrator and the issuer, the income received from the assets included in the mortgage cover is added to the assets in the mortgage cover, and from this moment on the law, mortgage bonds are considered to be pledged in favor of the bond owners. At this time, the executor must take appropriate measures to take possession, keep and collect the assets obtained from the mortgage cover.

1076-13.6. In order to protect the rights of bond owners, the executor prepares and submits to the Central Bank of the Republic of Azerbaijan for approval the conditions for the sale or management of the assets in the mortgage cover within five working days from the day of receiving the decision specified in Article 1076-13.4 of this Code. The Central Bank of the Republic of Azerbaijan considers the received application in this register within five working days and makes an appropriate decision. After this decision, the assets covered by the mortgage cover are sold under those conditions.

1076-13.7. The manager operates under the supervision of the Central Bank of the Republic of Azerbaijan and can turn to it at any time for instructions. The executor has the right to hire independent lawyers, accountants and other specialists related to the sale or management of the assets included in the mortgage cover, on the basis of the decision of the manager.

1076-13.8. The funds obtained from the sale of the mortgage cover are distributed in the following manner and the remaining part of the funds is included in the general property of the issuer by the executor:

1076-13.8.1. payment of the service fee specified in the pre-signed agreement with the issuer regarding management and sale of the mortgage cover;

1076-13.8.2. payment of current obligations related to the sale of mortgage cover;

1076-13.8.3. to fulfill obligations on bonds.

1076-13.9. In the case of the issuer's bankruptcy or forced liquidation, until the full implementation of obligations defined by Article 1076-13 of this Code, the property administrator's activities related to management, sale, distribution of the obtained funds and any other issue of the assets included in the mortgage cover interference is not allowed.

1076-13.10. After the complete sale of the assets included in the mortgage cover, the executor hands over documents and residual assets related to the mortgage cover to the issuer, and in case of bankruptcy or liquidation to the property administrator, and informs the Central Bank of the Republic of Azerbaijan that he has fulfilled his duty.

1076-13.11. If the issuer does not agree with the decision specified in Article 1076-13.4 of this Code, the issuer or any bond owner may apply to the court for the annulment of that decision. The issuer or any bond owner may also claim to implement the procedures provided for in Article 1076-13 of this Code regarding the sale or management of assets included in the mortgage cover, or to replace the executor with another person. The Central Bank of the Republic of Azerbaijan presents a new candidate to the court when considering the issue of choosing a new administrator.

§6. Stock

Article 1077. Definition of share and its content

1077.1. It is an investment security that confirms the share owner's right to participate in the capital of the joint-stock company that issued the share in proportion to the nominal value of that share, to receive dividends from its profits, and to receive part of the remaining property after liquidation, as well as to participate in the management of the joint-stock company. The issuer of the share can only be a joint-stock company. [\[678\]](#)

1077.2. Shares can be issued in ordinary or preferred form. The nominal value of the share is expressed in the monetary expression of the value of the share determined by the charter of the company. The value of shares is expressed in the national currency of the Republic of Azerbaijan. Initial placement of shares at a price lower than their nominal value is not allowed. [\[679\]](#)

1077.3. Each ordinary share has the same nominal value and gives its owner the same amount of rights. [\[680\]](#)

1077.4. Within an issue of preferred shares, each of them has the same nominal value and gives its owner the same amount of rights.

1077.5. Common stock is a type of stock that gives the owner the right to receive part of the profits in the form of dividends, to participate in the management of the issuer's activities, and to

...that gives rights. [\[681\]](#)

1077.7. According to the decision of the general meeting of shareholders of the joint-stock company the company may combine several shares of the same type into one share and may reduce one exchanging it for several shares of the same type. When a decision is made at the general meeting to combine or split the shares, appropriate changes should be made to the charter of the joint-stock company. The rules for combining and splitting shares of a joint-stock company are determined by the *Central Bank of the Republic of Azerbaijan*. [\[682\]](#)

~~§7. Commercial papers~~ [\[683\]](#)

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Article 1078. Definition of commercial papers and their types

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~~1078.1. Commodity documents issued by the warehouse owner or freight forwarder securities that establish the owner's right to dispose of the commodity specified in the document receive this commodity (warehouse certificate, bill of lading, etc.)) must contain the following information:~~ [\[684\]](#)

~~1078.1.1. place and date of drawing up of the document, signature of the person who issued the document;~~

~~1078.1.2. the name and place of residence of the person who issued the document;~~

~~1078.1.3. the name and residence or location of the person storing the goods or the consignee;~~

~~1078.1.4. the name of the goods stored or given for storage, indicating the quality, quantity and characteristics;~~

~~1078.1.5. fees and charges due or prepaid;~~

~~1078.1.6. special agreements accepted by interested parties regarding the handling of goods;~~

~~1078.1.7. the number of copies of commodity documents;~~

~~1078.1.8. specifying the name of the authorized person on that document or a reservation order or specifying the submitter.~~

~~1078.2. If one of several commodity documents is intended for the determination of pledge, the first document should be called a pledge certificate (warrant) and according to the rest of its information should be in the form of a commodity document. In the other copies, it should be noted that the certificate was issued, and each pledge should be reflected, indicating the amount of the claim and the payment period.~~

~~1078.3. When certificates for stored or shipped goods are issued in violation of the legal instructions on the form of commodity documents, they are not commodity documents, but receipts confirming documents.~~

~~1078.4. Certificates issued by warehouse owners without obtaining permission from the competent authorities, if they comply with the legal instructions on the form, are considered commodity documents.~~

~~1078.5. A bill of lading is a commercial paper consisting of a document of disposition confirming the right of its owner to dispose of the goods specified in the bill of lading and to receive~~

~~1078.6. A double warehouse certificate is a security document with a warrant confirming acceptance of the goods for storage by the warehouse. A double warehouse certificate consists of two parts - a warehouse certificate and a collateral certificate (warrant); separately, these are securities.~~
~~1078.7. A common warehouse receipt is an untitled security document that confirms that the goods have been accepted for storage by the warehouse.~~

§ 8. Real estate certificate [\[685\]](#)

Article 1078-1. Real estate certificate

1078-1.1. *The real estate certificate is placed between individuals and legal entities, and if they comply with the conditions specified in the conditions of issuance, the issuer is required to pay for the reconstruction of the buildings (apartments, non-residential areas) financed by the funds received from the placement of these securities by transferring them to their ownership. It is a security that gives the right to a mortgage on the buildings.*

1078-1.2. *It is a security called a real estate certificate. The procedure for issuing, state registration and circulation of real estate certificates is determined by the Central Bank of the Republic of Azerbaijan.*

§ 9. Pledge and mortgage paper

Article 1078-2. Pledge and mortgage paper

1078-2.1. Securities securing obligations include mortgage paper and mortgage paper.

1078-2.2. A mortgage paper is a named security that confirms the existence of monetary obligations and the right to demand execution of these obligations and the right of pledge specified in the agreement on the mortgage of the property without providing other evidence and evidence provided by the mortgage of the property to the owner of the mortgage agreement. [\[686\]](#)

1078-2.2-1. *The existence of money and other obligations and the right to demand execution of these obligations and the mortgage right specified in the contract on the mortgage of real estate without present owner of the mortgage paper, which establishes the mortgage right on the real estate, the existence of other obligations specified in the mortgage agreement, provided by the mortgage of the real estate, and other evidences is a paperless security.* [\[687\]](#)

1078-2.3. A bail bond is a security document that establishes the pledge of property arising between the debtor and the pledgee, and the rights and obligations arising from it, if he is not a mortgagee. [\[688\]](#)

1078-2.4. *Taking into account the requirements of Article 996.2-1 of this Code, the rights of the pledgee on the obligations secured by the pledge or mortgage of property and rights are formalized and confirmed by drawing up the pledge paper or mortgage paper.* [\[689\]](#)

the same or different persons. [\[690\]](#)

1078-2.6. The owner of the pledge paper or mortgage paper establishing the right of pledge or mortgage to the property (*pledger or mortgage holder* (creditor)) without the consent of the debtor (*mortgagor*), may transfer his claim on the debt to another person through a transfer note *on the pledge or mortgage paper* on the condition that that the transfer letter (endorsement) does not contravene the nature of the obligation, its agreement with the debtor and *the mortgagor*, and the existing law. [\[691\]](#)

~~1078-2.7. If the claim on the secured debt applied to the pledge or mortgage is transferred to another person, the rights of the pledgee or mortgagee on the pledge paper or mortgage paper are transferred to that person accordingly. [\[692\]](#)~~

1078-2.8. In order to secure the obligation under the contract concluded between the owner of a bail bond or mortgage bond (*pledger or mortgage holder*) and another person, the bail bond or mortgage bond may be pledged or mortgaged, respectively. In this case, the right of pledge or mortgage is registered with the state as a general rule, but this right cannot be determined by a pledge or mortgage paper. [\[693\]](#)

~~1078-2.9. State registration of pledge paper and mortgage paper (*with the exception of mortgage paper establishing the mortgage right on real estate*) is carried out in the official state register. The official state register is carried out by *the financial market control body*. [\[694\]](#)~~

~~1078-2.10. The official state register is intended for the centralized collection of all information on the limitation of rights on pledged securities. [\[695\]](#)~~

§ 10. Derivative securities [\[696\]](#)

Article 1078-3. Derivative securities

~~1078-3.1. Derivative securities include futures, options and other securities defined by legislation.~~

~~1078-3.2. A futures is a security that represents a standardized exchange contract that stipulates an obligation to buy or sell a certain underlying asset at a pre-agreed price on a specified date.~~

~~1078-3.3. An option is a security that gives the holder the right to buy or sell a certain underlying asset at a pre-agreed price on a specified date.~~

~~1078-3.4. Foreign currency, securities, stock market indices, commodities, etc. are used as assets for derivative securities. *can perform*.~~

~~1078-3.5. Other features related to the circulation of derivative securities are determined by the relevant executive authority.~~

§ 11. Privatization securities

1078-4.1. Privatization securities are securities issued during the privatization of state property for the purpose of expropriation of state property in accordance with the relevant legislation.

1078-4.2. Types of securities issued during the privatization of state property, emission, circulation rules and other issues are determined by this Code and other normative legal acts, including 1 acts. [\[697\]](#)

§ 12. Deposit certificate [\[698\]](#)

Article 1078-5. Certificate of deposit

1078-5.1. A certificate of deposit is a security that establishes the right to receive the amount of money (deposit) received from the depositor or for the depositor and interest from the certificate of deposit can be issued as a named or unnamed security for a specified period.

1078-5.2. Certificates of deposit can be issued one time or in series, in documentary form.

1078-5.3. The rules of issuing, registration and circulation of the deposit certificate are determined by the relevant executive authority.

§ 13. Issuance of securities [\[699\]](#)

Article 1078-6. Fundamentals of Issuance of Investment Securities

1078-6. 1. Issuance of securities is a set of the issuer's decision on the issuance of securities, preparation of the issue prospectus in the cases stipulated by this Code, issuance and placement of securities and other measures specified by this Code.

1078-6.2. The form of the investment security and the terms of issuance must be unambiguously defined in the decision on the issuance of investment securities and in the investment security issue prospectus (if the investment securities issue is accompanied by an issue prospectus).

1078-6.3. Investment securities can be issued in one of the following forms:

1078-6.3.1. documentary securities;

1078-6.3.2. undocumented securities;

1078-6.3.3. documentary bearer securities;

1078-6.4. The form of investment securities can be changed by the decision of the issuer's board of directors made the decision on the issue by registering these changes in the relevant executive authority. Conversion of registered securities into non-registered securities is regulated by Article 992 of the Code.

1078-6.5. Investment securities with the same state registration number must be issued in one form.

1078-6.6. The denomination of investment securities can be expressed in national and foreign convertible currencies, except for shares.

1078-6.7. The characteristics of the issue related to the conversion of investment securities are determined by the relevant executive authority.

~~1078-7.1.1. adoption of a decision on the issuance of investment securities by the issuer;~~
~~1078-7.1.2. drawing up an issue prospectus of investment securities (if the issue of investment securities is accompanied by an issue prospectus);~~
~~1078-7.1.3. state registration of investment securities issue;~~
~~1078-7.1.4. disclosure of information contained in the investment securities issue prospectus (if the issue of investment securities is accompanied by an issue prospectus);~~
~~1078-7.1.5. placement of investment securities;~~
~~1078-7.1.6. registration of the report on the results of the issuance of investment securities;~~
~~1078-7.1.7. disclosure of the information contained in the report on the results of the issuance of investment securities (if the issuance of investment securities was accompanied by an issue prospectus);~~
~~1078-7.2. During the creation of joint-stock companies, as well as reorganization of joint-stock companies and other legal entities (except for the case of reorganization in the form of merger), registration of the issue of shares is carried out after the founders have paid the value of those shares.~~

Article 1078-8. Decision on issuance of investment securities

~~1078-8.1. A separate decision must be made on the issuance of each type of investment security.~~
~~1078-8.2. The following information should be reflected in the decision on the issuance of investment securities:~~

- ~~1078-8.2.1. full name and location of the issuer;~~
- ~~1078-8.2.2. date of adoption of the decision;~~
- ~~1078-8.2.3. the name of the management body of the issuer that adopted the decision;~~
- ~~1078-8.2.4. type of security;~~
- ~~1078-8.2.5. the form of the security;~~
- ~~1078-8.2.6. nominal value of the security;~~
- ~~1078-8.2.7. the number and total amount of securities included in that issue;~~
- ~~1078-8.2.8. procedure for placement of securities;~~
- ~~1078-8.2.9. rights established by a security;~~
- ~~1078-8.2.10. obligations of the issuer to the owners of securities;~~
- ~~1078-8.2.11. name, surname, signature of the head of the issuer certified with a seal.~~

~~1078-8.3. When making a decision on the issue of convertible debt bonds, a decision on the shares aimed at their payment must be made.~~

Article 1078-9. Issuance of government securities

~~1078-9.1. The issuance of state securities is carried out by the relevant executive power or other state body duly authorized to do so.~~

~~1078-9.2. Issuance and circulation of state securities are regulated by normative legal acts by the relevant executive authority after receiving the opinion of the issuer.~~

Article 1078-10. Issuance of municipal securities

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Article 1078-11. State registration of the issue of investment securities

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1078-11.1. Issues of investment securities must be registered with the relevant executive authority.

1078-11.2. For state registration of the issue of investment securities, the following documents must be submitted by the issuer to the relevant executive authority:

1078-11.2.1. application for registration of investment securities;

1078-11.2.2. decision on the issuance of investment securities;

1078-11.2.3. notarized copies of the certificate of state registration of the issuer as a legal entity and the founding documents;

1078-11.2.4. issue prospectus of investment securities (if the issue of investment securities is accompanied by an issue prospectus);

1078-11.2.5. a sample of an investment security certificate (when investment securities are issued in documentary form);

1078-11.2.6. a document confirming the payment of the state fee for the registration of investment securities issue prospectus (if the investment securities issue is accompanied by a prospectus).

1078-11.3. The state registration of the issue of secured bonds is carried out only after the formalization of the security provided for them in the manner established by the legislation.

1078-11.4. The documents submitted for the state registration of the issue of investment securities are reviewed within fifteen working days from the date of their submission, and if there is no refusal to register, the issue of securities is state registered. When the state registration of the issue of investment securities is refused, an official notification is given to the issuer. State registration of the issue of investment securities consists of giving the issue a state registration number and entering this information into the state register. The procedure for issuing the state registration number and maintaining the register is determined by the relevant executive authority.

1078-11.5. The rules on the requirements for the maximum volume of the issuer's bonds are determined by the relevant executive authority. [\[700\]](#)

1078-11.6. Until the issue of investment securities is state registered, it is prohibited to advertise the securities, offer them officially to any investor, and present the issue prospectus to potential investors.

1078-11.7. Officials who signed those documents are responsible for the completeness and accuracy of the information provided in the securities issuance documents submitted by the issuer to the relevant executive authority.

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Article 1078-12. General requirements for the prospectus of investment securities

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1078-12.1. The issue of investment securities (except for private placement) is accompanied by an issue prospectus.

1078-12.2. The investment securities issue prospectus should contain the following information:

1078-12.2.1. issuer's full name, organizational-legal form and location;

1078-12.2.2. information about the issuer in the state register of legal entities;

- ~~1078-12.2.5. information about the issuer's branches and representative offices;~~
- ~~1078-12.2.6. the list and requisites of legal entities whose share of the issuer is not less than 10 percent in the authorized capital;~~
- ~~1078-12.2.7. information about the authorized capital and its composition, including the amount of the authorized capital, the amount of shares, their nominal value and types, as well as the amount of different types of shares (for joint-stock companies);~~
- ~~1078-12.2.8. the last balance sheet and consolidated financial statement of the issuer, together with the independent auditor's report;~~
- ~~1078-12.2.9. information on dividends paid on shares by the issuer since the date of the establishment or during the last five financial years;~~
- ~~1078-12.2.10. information on previously issued securities of the issuer;~~
- ~~1078-12.2.11. general information on the issuance of investment securities;~~
- ~~1078-12.2.12. investment securities placement procedure;~~
- ~~1078-12.2.13. creditors' debts of the issuer, the amount of interest to be paid and terms of payment (for bonds);~~
- ~~1078-12.2.14. special guarantees defined for bonds (if any);~~
- ~~1078-12.2.15. information about the guarantor of secured bonds;~~
- ~~1078-12.2.16. the procedure for payment of investment securities;~~
- ~~1078-12.2.17. information about the professional participant of the securities market who is authorized to participate in the placement of investment securities;~~
- ~~1078-12.2.18. the date, number and name of the authority that adopted the decision on the issuance of investment securities;~~
- ~~1078-12.2.19. content of rights established by preferred shares;~~
- ~~1078-12.2.20. restrictions on acquisition of investment securities (if any).~~

~~Article 1078-13. Refusal of state registration of investment securities issue~~

- ~~1078-13.1. State registration of the issue of investment securities may be refused in the following cases:~~
 - ~~1078-13.1.1. if the documents submitted for the state registration of the issue of investment securities do not meet the requirements of the current legislation;~~
 - ~~1078-13.1.2. if the report on the results of the previous issue of the issuer's shares is not reliable (for the issue of shares);~~
 - ~~1078-13.1.3. when dishonest or distorted information is included in the prospectus of investment securities or the decision on the issuance of investment securities (other documents that are the subject of the state registration of the issuance of securities);~~
 - ~~1078-13.1.4. if the issuer commits serious violations of the law in the securities market. [\[701\]](#)~~
- ~~1078-13.2. It is not allowed to refuse the state registration of the issue of investment securities on grounds other than those specified in this Code.~~
- ~~1078-13.3. The notice on refusal of state registration of the issue of investment securities is submitted to the issuer by the relevant executive authority.~~

Article 1078-14. Disclosure of information on the issue of investment securities

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1078-14.1. When the issue of investment securities is accompanied by an issue prospectus, the issuer must disclose the information contained in the issue prospectus in the manner determined by the relevant executive authority before placing them.

1078-14.2. The prospectus of investment securities must be at the address of the issue securities sales place, and must be provided for review by the issuer or a professional participant in the securities market who carries out the placement, free of charge. The issuer must create the conditions necessary to get acquainted with the issue prospectus and announce the time and address for this purpose through mass media.

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Article 1078-15. Placement of investment securities

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1078-15.1. The placement of securities is the alienation of the issuer's securities to the first purchaser. The issuer acquires the right to place investment securities from the moment of their state registration.

1078-15.2. Placement of investment securities is carried out by means of a mass offer or an offer to a limited circle of investors (closed placement).

1078-15.3. Closed placement of shares of open joint-stock companies (except during the reorganization and reorganization of open joint-stock companies, as well as in cases of conversion of shares) and placement of shares of closed joint-stock companies by the method of public offering is not allowed.

1078-15.4. The number of investment securities placed should not exceed the number indicated in the decision on the issuance of investment securities or in the issue prospectus. However, the issuer may place a smaller number of investment securities than specified in the decision on the issuance of investment securities or in the issue prospectus. At this time, the placed part of the securities, which is the basis for considering the emission of investment securities as completed, is determined by the relevant executive authority.

1078-15.5. It is prohibited to give preference to one buyer over others when purchasing securities during the placement of investment securities by means of a public offering. This provision does not apply if the shareholders of the joint-stock company are given the preferential right to purchase issued securities in proportion to the number of shares they have when the decision on the issuance of investment securities is made.

1078-15.6. Placement of shares of joint-stock companies by the method of public offering is carried out through the stock exchange. The placement of the part of the share issue through the stock exchange, which is the basis for the issue to be considered completed, must be completed within one year from the date of state registration of the issue of securities.

1078-15.7. The issuer must ensure that the information about the owner of the investment security is entered into the register of the owners of the securities (in the case of placement of securities), and the certificate of the investment security or extracts from the depository account issued to the owner of the investment security no later than fifteen days from the date of payment of the value of the investment security by the first owner.

1078-15.8. If the investment securities are in documentary form, the issuer issues the certificates of the securities to their owners.

~~1078-15.10. Rights to one or more investment securities with the same state registration number be confirmed with one certificate. Rights to an investment security can be confirmed only by a certificate.~~

~~1078-15.11. The value of the shares placed by the public offering method is paid only in cash.~~

~~1078-15.12. The issuer must submit a Report on the placement of investment securities to the relevant executive authority. The procedure for submitting a report on the placement of investment securities is determined by legislation.~~

~~1078-15.13. The rules for placing the securities of the issuers of the Republic of Azerbaijan on the territory of the Republic of Azerbaijan shall be determined by the relevant executive authority.~~

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Article 1078-16. Termination of issuance of investment securities

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~~1078-16.1. The suspension of the emission of investment securities is the suspension of measures on the printing, advertising and placement of securities by the decision of the relevant executive authority.~~

~~1078-16.2. The issuance of investment securities may be suspended by the relevant executive authority on the following grounds:~~

~~1078-16.2.1. if the requirements of the registered emission conditions, as well as this Code and other relevant normative legal acts related to the issuance of securities are violated;~~

~~1078-16.2.2. when more than the state registered number of investment securities are placed on the market;~~

~~1078-16.3. After receiving an official notification from the relevant executive authority about the suspension of the issuance of securities, the issuer must immediately inform about it through the mass media and eliminate the violations committed during the issuance of securities within the period determined by the relevant executive authority.~~

~~1078-16.4. After the violations committed during the issuance of securities are eliminated, the issuance may be continued by the decision of the relevant executive authority. In this case, the placement of securities is extended to the period when the issue is stopped.~~

~~1078-16.5. If investment securities are placed in excess of the state registered number, within three months from the date determined by the relevant executive authority, the issuer must ensure the repurchase and liquidation of those securities. Otherwise, the relevant executive authority may refer the issuer to the court for the return of the amounts obtained by the issuer to the investors.~~

~~1078-16.6. Expenses related to the termination of the issue of investment securities and the return of relevant funds to investors are carried out at the expense of the issuer.~~

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Article 1078-17. Report on the results of the issue of investment securities

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~~1078-17.1. Within thirty days after the completion of placement of investment securities, the issuer must submit a report on the results of the issuance of investment securities to the relevant executive authority.~~

~~1078-17.2. The following information should be included in the report on the results of the investment securities issue:~~

~~1078-17.2.1. date of commencement and completion of placement of investment securities;~~

~~1078-17.2.2. the number of investment securities placed on the market;~~

~~1078-17.2.4. information about transactions concluded between the issuer and investors during the placement of investment securities.~~

~~1078-17.3. The relevant executive authority reviews the report on the results of the investment securities issue within fifteen working days and registers it if there is no reason to refuse registration.~~

~~1078-17.4. The relevant executive authority may refuse to register the report on the results of the issuance of investment securities in case of violations of the law related to the issuance of investment securities.~~

~~1078-17.5. During the placement of investment securities by the public offering method, the results of the issue must be published by the issuer in the mass media after registration.~~

Article 1078-18. Considering the issue of investment securities as not completed

~~1078-18.1. If investment securities are placed in an amount less than the amount determined by legislation for their emission to be considered completed, or in other cases determined by the law, the emission may be considered not completed by the relevant executive authority.~~

~~1078-18.2. The issuer must announce through the mass media that the issue has not been completed, and, by buying back the placed securities, return the funds received from the investors to them and submit information about the results to the relevant executive authority.~~

Article 1078-19. Invalidation of the issue of investment securities

~~In cases where the requirements of this Code and relevant legislation are violated during the issuance of investment securities, the issuance may be considered invalid by the court at the request of the relevant executive authority. In this case, all the securities in that issue must be returned to the issuer, and the funds obtained from the placement of securities must be returned to the investors.~~

§ 14. Circulation of securities

Article 1078-20. Transactions on securities

1078-20.1. Circulation of securities is the process of transfer and registration of ownership as a result of concluding civil-legal contracts with securities after placement.

1078-20.2. Transactions on securities are concluded and implemented in accordance with this Code and the Law of the Republic of Azerbaijan "On the Securities Market" . [\[702\]](#)

1078-20.3. Ownership rights of the person who acquires registered securities are created only after registration of the transfer of rights to securities. [\[703\]](#)

1078-20.4. During the circulation of securities, if violations of the requirements stipulated in this Code and the Law of the Republic of Azerbaijan "On the Securities Market" regarding the conclusion and execution of transactions with securities are detected, the Central Bank of the Republic of Azerbaijan shall suspend the conclusion of the transactions accompanied by the violation of the law or freeze the accounts of the issuer.

1078-20.5. The rules for concluding purchase and sale transactions by types of securities determined by this Code and the Central Bank of the Republic of Azerbaijan in accordance with it. In accordance with the Law of the Republic of Azerbaijan on securities market, when transactions with securities are conducted in a trading system other than the regulated market, purchase and sale transactions are concluded in accordance with the rules of that trading system. [\[705\]](#)

1078-20.6. The formalization and payment of debts of legal and natural persons with securities are carried out in accordance with the rules established by the Central Bank of the Republic of Azerbaijan.

1078-20.7. If transactions with investment securities are not concluded through an investment company or a bank that performs investment services (operations), or if there are no counterparty transactions, an investment company or a bank that performs investment services (operations) must be notarized. [\[707\]](#)

1078-20.8. With the exception of address sales, the purchase and sale transactions of joint stock companies with more than fifty shareholders must be concluded through the stock exchange. A contract for the purchase and sale of securities, whose parties are known to each other and concluded at a pre-agreed time and conditions, is an addressed sales contract. [\[708\]](#)

1078-20.9. When transferring promissory notes, mortgages (with the exception of mortgages establishing the right to a mortgage on real estate) and collateral, it is necessary to make a note (endorsement) about the relief of the claim on the back of the security paper. Endorsement executed on a security transfers the rights confirmed by the security to the person (endorsed) to whom the rights on the security are assigned for disposal. The transfer of rights on the mortgage paper establishing the mortgage right on real estate is carried out in accordance with Article 996.2-1 of this Code. [\[709\]](#)

1078-20.10. Endorsement can be blank (without specifying the person to be executed) or with warranty specifying the person to be executed or by whose order). Endorsement can be limited only by the assignee exercising the rights confirmed by the security, without giving these rights to the endorser (re-assignment endorsement). In this case, the endorser acts as a representative.

1078-20.10-1. Blank endorsement is not allowed in mortgage and collateral papers. [\[710\]](#)

1078-20.11. Taking into account the requirements of Article 996.2-1 of this Code, the endorsement must comply with the following requirements: [\[711\]](#)

1078-20.11.1. it must contain information about the endorsement and the endorser's signature;

1078-20.11.2. must be simple and not conditioned by anything (any condition restricting the endorsement is invalid; partial endorsement is also invalid.);

1078-20.11.3 must be written on the security document or on a sheet (additional sheet) attached to it.

1078.20.12. A person who causes damage as a result of insider trading or manipulation is liable to the injured person in the amount of three times the amount of the damage caused. [\[712\]](#)

Article 1078-21. Transfer of rights evidenced by a security [\[713\]](#)

1078-21.2. The rights *confirmed by an* untitled documentary security are transferred by the of its certificate to the new owner. [\[715\]](#)

1078-21.3. The rights *confirmed by the* nameless documentary security stored in the central a are transferred by transferring the securities to the "depository" account of the new owner. [\[716\]](#)

1078-21.4. *Taking into account the requirements of Article 996.2-1 of this Code, the rights con other undocumented securities are transferred in the securities depository system by transfer from th account of the owner of securities to the deposit account of the new owner.* [\[717\]](#)

1078-21.5. The rights *confirmed by the* named documentary security are transferred to the ne by giving the securities (certificates) by making an appropriate entry *in the register of securities c on the basis of an endorsement* . The rights *confirmed by the* named documentary security kept in th depository are transferred by transfer of securities from the "depository" account of the own "depository" account of the new owner. [\[718\]](#)

1078-21.6. *The right of ownership to those securities* passes to the person who acquires th *confirmed by the securities* . [\[719\]](#)

1078-21.7. The rights *confirmed by the promissory note, mortgage (except for the mortga establishing the mortgage right on real estate) and pledge papers are transferred to the new owner by 1 the order made on paper by the discretionary owner* . *The transfer of rights on the mortga establishing the mortgage right on real estate is carried out in accordance with Article 996.2-1 of this Cod*

1078-21.8. Taking into account the requirements of this Code, additional methods and fea the transfer of rights to individual types of securities may be determined by legislation.

1078-21.9. During the transfer of the rights *confirmed by the* named documentary secu procedure for formalizing the certificate of the security in the name of the new owner is determ the Central Bank of the Republic of Azerbaijan. [\[721\]](#)

1078-21.10. The new owner acquires the rights *confirmed by the* security after the executio actions established by the legislation on the transfer of rights and the registration of the rights. [\[722\]](#)

1078-21.11. *The person transferring the right confirmed by the promissory note, mortgage and (endorser) is responsible not only for the existence of the right, but also for its implementation. The tra the right confirmed by another type of security is responsible for the invalidity of the corresponding rec not for its non-execution.* [\[723\]](#)

Article 1078-22. Enforcement of rights *confirmed by securities* [\[724\]](#)

1078-22.1. The rights *confirmed by* documentary securities are realized by the owner of the s by presenting the certificate of those securities. [\[725\]](#)

1078-22.2. *Taking into account the requirements of Article 996.2-1 of this Code, the rights con other undocumented securities are realized by matching the information about the owner or*

1078-22.3. When the certificates of documentary securities are stored *in the central depository*, rights *confirmed by those securities* are realized by the depository's presentation of the certificates of securities kept *in the central depository (with the list of owners attached)* at the request of *the owner*.

Article 1078-23. Encumbrance of securities with liabilities

1078-23.1. *Securities may be encumbered with collateral and other obligations provided for in this Code*. *Such encumbrance shall take effect from the moment of registration in the securities depository system.* [\[729\]](#)

1078-23.2. The procedure for charging securities with obligations is determined by this Code and other legislative acts.

~~1078-23.3. Information about the decisions taken by the competent authorities on the presentation of securities is reflected in the official register maintained by the relevant executive authority.~~ [\[729\]](#)

1078-23.4. Directing of *seizure* or transfer of rights to immovable property formalized by securities, which is the subject of pledge (mortgage) on securities, is directing *seizure* or transfer to that property. ~~The transfer of ownership to the acquirer of the rights formalized by securities (including mortgage of real estate) is carried out by issuing that security.~~ [\[730\]](#)

1078-23.5. The rules for the circulation of collateral paper and mortgage paper (*except mortgage paper establishing the mortgage right on real estate*) are determined by the Central Bank of the Republic of Azerbaijan. [\[731\]](#)

1078-23.6. *Pledge rights on securities should be registered in the depository system only on the instructions of their owners.*

1078-23.7. *The assignment provided for in Article 1078-23.6 of this Code should reflect the following:*

1078-23.7.1. *information about the owner and third parties to whose benefit the rights are assigned: in the case of a legal entity - his full name, address; in the case of an individual - name, surname, patronymic, and date of birth;*

1078-23.7.2. *individual identification numbers of the owner and the third party in whose favor the securities are deposited in the central depository;*

1078-23.7.3. *type, form, registration number and number of securities;*

1078-23.7.4. *the type of rights charged on securities and their validity period (if any);*

1078-23.7.5. *documents confirming the transfer of rights to securities;*

1078-23.7.6. *signature of the owner.*

1078-23.8. *Lien rights on securities arise from the moment of their registration in the depository system. If the pledgee has the right to receive income from the pledged securities, those rights are registered together with the pledge in the depository system.*

1078-23.9. *Seizure of the subject of collateral with securities is carried out out of court in the cases provided for by this Code.*

1078-23.10. *If the debtor does not fulfill the obligation, the pledge holder must send a notice containing the following information to the pledger about directing the seizure of the subject of the pledge:*

1078-23.10.1. *the date of registration of the collateral in the central depository;*

1078-23.10.2. *information about the subject of collateral (name of issuer of securities, registration*

1078-23.10.4. except for the cases where the attachment of the subject of the pledge is provided by the pledge agreement or the pledge paper is issued, a proposal to approve the notarial agreement for the attachment of the subject of the pledge, or a notary's execution note on the subject of the pledge, or a warning to the attachment of the subject to the court;

1078-23.10.5. the date of the notification, the position, name and signature of the person who issued the notification.

1078-23.11. The pledgee must send the notification of the seizure of the subject of pledge to the central depository within seven working days from the date of sending it to the pledgee.

1078-23.12. The central depository registers the notice within three working days, suspends operations on the pledged securities and informs the pledgee about it.

1078-23.13. When the seizure of the subject of the pledge is carried out outside the court, the subject of the pledge is put up for sale on the stock exchange or in other trading system in the cases stipulated by the Law of the Republic of Azerbaijan "On the Securities Market" based on the agreement of the pledger and the pledgee.

1078-23.14. When the court makes a decision on the sale of the subject of collateral, the subject of collateral is put up for sale on the stock exchange at the price indicated in the contract of collateral or in other trading system in the cases stipulated by the Law of the Republic of Azerbaijan "On the Securities Market" based on the decision of the court. [\[733\]](#)

1078-23.15. If the price of the subject of the pledge is not determined by the pledge agreement, the subject of the pledge is put up for sale at nominal value.

1078-23.16. If the subject of pledge is carried out on the stock exchange or in the cases stipulated by the Law of the Republic of Azerbaijan "On the Securities Market", transactions with securities are carried out in the trading system, and if they are not sold in that trading system, the securities constituting the subject of pledge are offered to the pledgee.

1078-23.17. The Central Bank of the Republic of Azerbaijan shall determine the procedure for registration of the pledge of securities, its termination, and the transfer of seizure to the object of the pledge.

1078-23.18. When a pledge agreement is concluded for the purpose of fulfilling financial obligations in the regulated markets and the subject of pledge in that agreement is money or securities or derivative instruments traded on the regulated market, and the Central Bank of the Republic of Azerbaijan is the central depository, bank, insurance company and or if it is an investment company and the debt secured by the collateral is used only for conducting purchase and sale operations in the regulated market, such collateral is considered financial collateral. A financial lien also arises when transactions with securities and derivative instruments are carried out in another trading system in cases provided for by the Law of the Republic of Azerbaijan "On the Securities Market". [\[734\]](#)

1078-23.18-1. Pursuant to Article 45.5 of the Law of the Republic of Azerbaijan "On Payment Services and Payment Systems", when the settlement agent ensures the completion of settlements in the clearing system by applying collateral mechanisms of cash, government bonds or securities issued by the Central Bank of the Republic of Azerbaijan, such collateral is considered financial collateral. [\[735\]](#)

1078-23.19. If the debtor does not fulfill the financial pledge obligations, as stipulated in the agreement concluded between the pledger and the pledgee, the subject of the pledge becomes the property of the pledgee.

Article 1078-24. Rules for releasing securities of foreign issuers into circulation in the Republic of Azerbaijan

The rules for issuing securities of foreign issuers to circulation in the Republic of Azerbaijan are determined by *the Central Bank of the Republic of Azerbaijan* .

Article 1078-25. Acquisition of securities by foreign investors

Acquisition of the securities of the issuers of the Republic of Azerbaijan by foreign investors is restricted, except for the cases stipulated by law.

Article 1078-26. Consolidation, fragmentation (split) and conversion of securities

1078-26.1. Consolidation of securities is the exchange of all securities of the same type in circulation by proportionally reducing the number of securities held by all owners. If the securities have a nominal value, their consolidation is accompanied by a proportional increase in the nominal value.

1078-26.2. Dilution of securities is conversion of one security into several securities of the same type by proportional division of its nominal value.

1078-26.3. A conversion of securities is the free exchange of one type of investment securities of an issuer for another type of investment securities or securities of another issuer (when that issuer is reorganized) (except for the exchange of stock for bonds). At this time, the changed securities are canceled.

1078-26.4. Consolidation, fragmentation (division) and conversion of securities do not change the amount of funds raised by the issuer during the placement of those securities, it is not the basis for the return of the value of the securities redeemed *from the owners of the securities*, and it is carried out without additional costs by *the owners of the securities* . [\[737\]](#)

1078-26.5. The issuer's decision on the consolidation, fragmentation (division) and conversion of securities placed must be registered *in the Central Bank of the Republic of Azerbaijan in accordance with the legislation*.

1078-26.6. *The Central Bank of the Republic of Azerbaijan* defines the rules for combining, fragmentation (dividing) and converting securities .

1078-26.7. Consolidation, fragmentation (division) and conversion and payment of *dividends on securities* are accompanied by cancellation of previous certificates of these securities. [\[738\]](#)

Article 1078-27. Withdrawal ~~and liquidation~~ of securities [\[739\]](#)

1078-27.1. The withdrawal ~~and liquidation~~ of securities is carried out in the following cases:

1078-27.1.1. by the decision of *the general meeting of shareholders regarding shares* ; [\[740\]](#)

1078-27.1.2. by the decision of *the Central Bank of the Republic of Azerbaijan* in case the issuer of the securities is considered not to have taken place ;

1078-27.1.4-1. when the securities are paid after the expiry of the circulation period; [\[741\]](#)

1078-27.1.5. in other cases stipulated by the legislation.

1078-27.2. When other state-registered securities are withdrawn from circulation ~~or liquidated~~ except for the mortgage paper establishing the mortgage right on real estate, the Central Bank of the Republic of Azerbaijan shall make appropriate entries in the state register of securities. [\[742\]](#)

1078-27.3. Information about withdrawal ~~and liquidation~~ of securities (except for withdrawal result of payment) must be published in the official media within seven working days from the making relevant entries in the state register of securities by the Central Bank of the Republic of Azerbaijan.

1078-27.4. From the day of publication of the information on withdrawal ~~and cancellation~~ of securities, their circulation is not allowed. As of the date of publication of this information, securities concluded with those papers are irrelevant.

1078-27.5. Withdrawal ~~and liquidation~~ of securities from circulation is carried out after the information is published.

1078-27.6. The rules for withdrawal ~~and liquidation~~ of securities are determined by the Central Bank of the Republic of Azerbaijan.

§ 15. Professional participants of the securities market [\[743\]](#)

Article 1078-28. Types of professional activity in the securities market

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1078-28.1. Types of professional activity in the securities market include the following:

1078-28.1.1. brokerage activity;

1078-28.1.2. dealer activity;

1078-28.1.3. asset management activities; [\[744\]](#)

1078-28.1.4. clearing activity;

1078-28.1.5. depository activity;

1078-28.1.6. activity on keeping the register of securities owners;

1078-28.1.7. stock exchange.

1078-28.2. Other types of professional activity in the securities market may be determined by the relevant executive authority.

1078-28.3. Professional activity in the securities market can be carried out only by persons who have obtained the appropriate special consent (license) issued by the relevant executive authority.

1078-28.4. The rules for simultaneously engaging in various types of professional activity in the securities market are determined by the relevant executive authority. Professional participants in the securities market are not allowed to simultaneously engage in other types of entrepreneurial activity that do not belong to the securities market, except for banks. [\[745\]](#)

1078-28.5. The rules for issuing, suspending and canceling a special consent (license) for professional activity in the securities market are determined by the relevant executive authority.

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Article 1078-29. Broker activity

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1078-29.1. Broker activity can be performed only by legal entities.

1078-29.2. If the broker has an interest that prevents him from executing the client's order more favorable to him, the broker must stop the execution of the order and immediately notify about it and execute a new order from the client.

1078-29.3. If the broker did not inform the client about the conflict between his and the interests while receiving the relevant assignment and caused damage to the client's interests, th is obliged to pay for the damage at his own expense in accordance with the law.

1078-29.4. The pecuniary sanctions applied to the broker for the broker's obligations not r the performance of the client's tasks cannot be directed to the client's financial funds kept at the l

1078-29.5. When the broker acts as a commission agent, if it is stipulated in the con agreement, the client can repeatedly use the client's funds at his disposal (intended for inves securities or obtained from the purchase of securities) in transactions with securities in accorda the terms of the contract until their return. The rules for the use of the income obtained as a resu activity are determined by the contract.

1078-29.6. When the broker is engaged in dealer activity at the same time, if the direc conditions of the deal are the same as the transactions made in the order given to him by th related to the implementation of dealer activity, he must first fulfill the client's order.

1078-29.7. When the broker is declared bankrupt, according to the contract on the prov brokerage services, the client's funds kept in him must be returned.

1078-29.8. The rules governing the broker's activity and the requirements for the contract cc between the broker and the client are determined by the relevant executive authority.

1078-29.9. The broker must take the measures established for him by the relevant legis order to prevent the legalization of money or other property obtained through crime and the f of terrorism.

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Article 1078-30. Dealer activity

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1078-30.1. Dealer activity can be carried out only by legal entities.

1078-30.2. The dealer cannot refuse to conclude sales contracts that correspond to the cc announced in advance by changing those conditions.

1078-30.3. The rules governing dealer activity are determined by the relevant executive auth

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Article 1078-31. Asset management activity

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1078-31.1. Asset management activities can be performed only by legal entities. A pro participant in the securities market who performs asset management activities is called a managi

1078-31.2. Transfer of securities, money and other property provided by legislator administrator for management does not cause the transfer of ownership rights to those securities

otherwise, the resulting damage to the customer must be paid by the administrator.

~~1078-31.4. Punitive measures for the manager's obligations cannot be directed to the property under management.~~

~~1078-31.5. The rules governing the administrator's activity and the requirements administrator's contract with the client are determined by the relevant executive authority.~~

~~1078-31.6. The manager must take the measures determined for him by the relevant legis order to prevent the legalization of money or other property obtained through crime and the f of terrorism.~~ [\[747\]](#)

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~~Article 1078-32. Clearing activity~~

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~~1078-32.1. Clearing activities are carried out only by legal entities (hereinafter - organizations):~~

~~1078-32.2. Clearing organizations that settle transactions with securities must create a g fund to reduce the risks of non-execution of transactions with securities. The minimum amou guarantee fund should not be less than the unsecured part of the contracts to be concluded.~~

~~1078-32.3. The rules for the implementation of clearing activities are determined by the executive authority.~~

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~~Article 1078-33. Depository activity~~

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~~1078-33.1. Depository activity can be performed only by legal entities:~~

~~1078-33.2. The standards and rules for the implementation of depository activities are det by the relevant executive authority.~~

~~1078-33.3. A person who uses the services of a depository for the storage and accou securities is called a depositor.~~

~~1078-33.4. The conclusion of the depository agreement is not the basis for the transfer of ov rights to the securities to the depository.~~

~~1078-33.5. Punitive measures for the obligations of the depository cannot be directe depositor's securities:~~

~~1078-33.6. The depository shall ensure the completeness and accuracy of the entries depository accounts and shall be responsible for the completeness and correctness of the entrie depository accounts in case of non-fulfilment or improper fulfilment of its obligations.~~

~~1078-33.7. The structure of the depository system, the principles of the mutual relatio members, requirements for content and form, rules of their operation are determined by the executive authority.~~

~~1078-33.8. At the same time, when the registrar performs his professional activities, the de keeps the register based on the depository accounts of securities owners and (or) nominal cu according to the contract concluded with the issuer. In this case, the securities kept in other dep are reflected in the nominal custodian account in the depository that maintains the register of s owners.~~

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Article 1078-34. Activity on keeping the register of securities owners

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1078-34.1. Only legal entities can engage in the activity of keeping the register of securities

1078-34.2. The person carrying out the activity of keeping the register of securities (hereinafter - the keeper of the register) cannot conclude transactions with the securities of the issuer registered in the system of keeping the register of securities owners.

1078-34.3. The register of securities owners is a list that ensures identification of the owners, the nominal custodians of securities registered on a certain date, the number and type of securities belonging to them. In the register of securities, information about the issuer, the number, nominal value, form, encumbrance with obligations and other information determined by the legislation is indicated.

1078-34.4. The rules for the implementation of the activity on keeping the register of securities owners are determined by the relevant executive authority.

1078-34.5. The register of owners of bearer securities is not maintained.

1078-34.6. If the number of holders of investment securities in the name of one issuer is more than twenty, the register of securities holders shall be maintained only by a registrar who is a professional participant of the securities market. When the number of holders of investment securities in the name of an issuer is twenty or less, their register can be kept both by a registrar who is a professional participant of the securities market, and by the issuer itself.

1078-34.7. The register of holders of the same type of securities of the issuer must be kept by one register keeper at the same time.

1078-34.8. The registry keeper must ensure the completeness and correctness of the entries in the registry and is responsible for the non-fulfillment or improper fulfillment of obligations in the manner established by the legislation.

1078-34.9. If the issuer changes its registrar, it must announce it in the mass media or send a written notification to all security holders at its own expense.

1078-34.10. A broker (only for non-deposited securities) or a depository can act as a custodian of securities in the securities owners' register.

1078-34.11. When securities are deposited in a depository, the depository is registered as a custodian in the register of owners of those securities.

1078-34.12. The nominal custodian of securities can exercise the rights established in the register of securities only if authorized to do so by their owner.

1078-34.13. Recording the name of the nominal custodian in the registry system is not the transfer of ownership rights to securities to the nominal custodian.

1078-34.14. The results of transactions between securities holders who are clients of a custodian are not reflected in the register.

1078-34.15. Information on the transfer of securities from one nominal custodian to another nominal custodian must be submitted by nominal custodians to the registry keeper within three working days.

1078-34.16. In order to ensure the exercise of the rights on securities by the holders of securities, the nominal custodian must submit to the registry keeper, at the request of the registry keeper, the names of persons of whom he is the nominal custodian on a certain date within seven working days.

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~~1078-35.1. A stock exchange is a trade organizer established in the form of a closed joint company, which organizes trade in securities among its members and ensures the execution of concluded contracts.~~

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~~1078-35.2. The expression "Stock exchange" in the name can be used only by the person who carries out the professional activities of the stock exchange.~~

~~1078-35.3. The stock exchange must approve the internal rules regulating its activity based on the standards established by the relevant executive authority.~~

~~1078-35.4. The minimum amount of the authorized capital of the stock exchange is determined by the relevant executive authority.~~

~~1078-35.5. A stock exchange can only issue ordinary shares.~~

~~1078-35.6. Each of the shareholders of the stock exchange may own shares not exceeding 10 percent of the number of shares of the stock exchange.~~

~~1078-35.7. The stock exchange organizes trading among its members. Exceptionally, the Bank of the Republic of Azerbaijan may participate in stock exchange trading without being a member of the stock exchange.~~

~~1078-35.8. Employees of the stock exchange cannot be professional participants of the securities market and their founders, and they cannot participate in the activities of the stock exchange as entrepreneurs.~~

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Article 1078-36. Stock exchange members

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~~1078-36.1. Members of a stock exchange are brokers or dealers who have the right to participate in stock trading in accordance with the internal rules of the exchange.~~

~~1078-36.2. The rules for admission to stock exchange membership, removal from stock exchange membership, exclusion and termination of stock exchange membership, as well as the rules governing the activities of members in the stock exchange are determined by the normative legal acts of the relevant executive authority, as well as the stock exchange's charter and other internal documents.~~

~~1078-36.3. Members of the stock exchange must have special approvals (licenses) for broker or dealer activities, and they must meet the qualification requirements determined by the relevant executive authority regarding their solvency and the organization of their activities.~~

~~1078-36.4. Membership in the stock exchange is terminated in the following cases:~~

~~1078-36.4.1. when voluntarily leaving the stock exchange membership;~~

~~1078-36.4.2. when the special approval (license) granted to the broker and dealer who is a member of the stock exchange is canceled as a result of the decision of the relevant executive authority;~~

~~1078-36.4.3. by the decision of the relevant management body of the exchange, when the member of the exchange grossly violates the rules of the exchange or does not meet the qualification requirements determined by the exchange;~~

~~1078-36.4.4. when the stock exchange is terminated.~~

~~1078-36.5. The stock exchange has the right to limit the number of its members.~~

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~~1078-37.1. Cash payments may be determined by the stock exchange in the following cases:~~

~~1078-37.1.1. to join the stock exchange;~~

~~1078-37.1.2. for the listing of securities;~~

~~1078-37.1.3. for arranging stock exchange transactions;~~

~~1078-37.2. Payments can be determined in the rules established by the relevant executive authority in other cases provided by the stock exchange's charter and stock exchange rules:~~

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~~**Article 1078-38. Stock transactions**~~

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~~1078-38.1. The contract concluded between the participants of the stock market is a stock contract~~

~~1078-38.2. All transactions concluded on the stock exchange must be registered and form accordance with the law and the rules of the stock exchange.~~

~~1078-38.3. According to the rules of the exchange, the relevant authorized body of the exchange may temporarily exclude the member of the exchange from concluding exchange contracts:~~

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~~**Article 1078-39. Stock market rules**~~

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~~1078-39.1. Is the Stock Exchange the rules for putting securities into circulation on the exchange, including them in the list of securities quoted on the stock exchange (listing) and removing them from the specified list (delisting), concluding, registering, executing and guaranteeing deals on the stock exchange, conducting settlements on deals, stock exchange transactions between members of the stock exchange resolves disputes arising during its operation and adopts other rules related to the activity of the stock exchange in accordance with the normative legal acts of the relevant executive authority.~~

~~1078-39.2. The stock exchange shall ensure the transparency of the trade by providing information about the time of trading, the list and prices (quotation) of the securities admitted to trading on the stock exchange, the results of the trading session and other information stipulated by the relevant legislation.~~

§ 16. Regulation of the securities market [\[748\]](#)

~~**Article 1078-40. State regulation of the securities market**~~

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~~1078-40.1. State regulation of the securities market consists of the following:~~

~~1078-40.1.1. from the adoption of normative legal acts on the regulation of the securities market and the implementation of control over their compliance;~~

~~1078-40.1.2. determining the requirements for participants of the securities market and the control over their activity;~~

~~1078-40.1.3. state registration of securities issues;~~

~~1078-40.1.4. issuing a special consent (license) for professional activity in the securities market;~~

~~1078-40.1.5. protection of the rights of investors and owners of securities in the securities market.~~

~~1078-40.1.8. taking appropriate measures to increase the professional level of securities participants;~~

~~1078-40.1.9. determining the direction of development of the securities market;~~

~~1078-40.1.10. creation of a healthy competitive environment in the securities market;~~

~~1078-40.1.11. determining the requirements for concluding transactions with securities;~~

~~1078-40.1.12. determining the rules for formalization and payment of debt obligations of natural persons with securities;~~

~~1078-40.1.13. from the implementation of the regulation of the market of formalized obligations with securities;~~

~~1078-40.1.14. preparation of measures for the integration of the securities market of the Republic of Azerbaijan into the world financial market and submission to the relevant executive authority for approval, implementation of relevant measures;~~

~~1078-40.1.15. from charging securities with liabilities and registration and accounting of real estate mortgages formalized with securities;~~

~~1078-40.1.16. keeping relevant state registers related to securities (state register of securities issuance, state register of promissory notes and checks, official register of pledge with securities, register of mortgage of property formalized with securities, etc.);~~

~~1078-40.1.17. determination of insurance standards of risks to be insured in the securities market;~~

~~1078-40.1.18. from the regulation and organization of the system for the disclosure of information in the securities market;~~

~~1078-40.1.19. from the regulation of activity on the printing of forms of securities (certificates) and their import and export;~~

~~1078-40.1.20. issuing instructions to participants of the securities market, whose execution is mandatory in the manner established by legislation;~~

~~1078-40.1.21. creation of funds used for the development of the securities market infrastructure in accordance with the legislation and regulation of their activities;~~

~~1078-40.1.22. taking measures to prevent price manipulations in the securities market.~~

~~1078-40.2. State regulation of the securities market is carried out by the relevant executive authority.~~

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~~**Article 1078-41. Self-regulatory organizations of professional participants of the securities market**~~

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~~1078-41.1. Self-regulatory organizations of professional participants of the securities market are created and operate in accordance with the legislation of the Republic of Azerbaijan and their charters.~~

~~1078-41.2. The activity of self-regulatory organizations of professional participants of the securities market has the following main objectives:~~

~~1078-41.2.1. creation of conditions for efficient professional activity of professional participants in the securities market;~~

~~1078-41.2.2. protection of the interests of investors and other participants in the securities market;~~

~~1078-41.2.3. determination of rules for regulating mutual relations between members of self-regulatory organizations of professional participants of the securities market.~~

norms.

~~1078-41.2.5. The professional participants of the securities market must disclose information the activities of self-regulatory organizations in the manner and to the extent determined by the executive authority.~~

~~§ 17. Protection of investors' interests in the securities market~~ [\[749\]](#)

~~Article 1078-42. Disclosure of information in the securities market~~

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~~1078-42.1. Disclosure of information in the securities market consists in ensuring that interested person has the opportunity to get acquainted with that information.~~

~~1078-42.2. Issuers, professional participants of the securities market, self-regulating organizations of the securities market must disclose information in the mass media in accordance with the provisions established by this Code and the relevant executive authority. Publicly available information is considered public information.~~

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~~Article 1078-43. Disclosure of information by the issuer~~

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~~1078-43.1. The issuer of securities placed through a public offering is obliged to disclose the following information about its securities and financial and economic activities by publishing and submitting to the relevant executive authority:~~

~~1078-43.1.1. the issuer's annual report;~~

~~1078-43.1.2. information about important events and actions affecting its financial and economic activity;~~

~~1078-43.1.3. emission prospectus of securities;~~

~~1078-43.1.4. the report on the results of the issue of securities.~~

~~1078-43.2. The range of information about important events and actions affecting the issuer's financial and economic activity, report on securities, financial and economic activities, securities issue prospectus, and the results of the issue, as well as the requirements for them, are determined by the relevant executive authority.~~

~~1078-43.3. The issuer's annual report is prepared based on the results of the year, approved by the higher management body and published no later than thirty days from the date of approval.~~

~~1078-43.4. Information about important events and actions affecting the issuer's financial and economic activity is submitted to the relevant executive authority no later than fifteen days after the completion of those actions and events.~~

~~1078-43.5. The rules for disclosure of information by banks and other credit organizations are determined by the relevant executive authority after obtaining the opinion of the Central Bank of the Republic of Azerbaijan.~~

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~~Article 1078-44. Disclosure of information by the stock exchange~~

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~~The stock exchange must disclose information about the charter, rules, list of members, and other information.~~

~~Article 1078-45. Disclosure of information by the self-regulatory organization of professional participants of the securities market~~

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~~The self-regulatory organization of the professional participants of the securities market disclose the charter, rules, standards and information about its members.~~

~~§ 18. Service information on the securities market~~ [\[750\]](#)

~~Article 1078-46. Understanding of service information in the securities market~~

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~~1078-46.1. Service information that cannot be obtained in a general manner, obtained in connection with the position held in the organizations that are participants of the securities market, or relevant state bodies, or according to the contract concluded with the issuer, should not be disclosed to subjects of the securities market, securities, transactions with them, prices and other financial information that, when used, provides the owner of the information with a superior position over participants in conducting transactions with securities.~~

~~1078-46.2. An insider is a person who has official information according to Article 1078-46 Code.~~

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~~Article 1078-47. Insiders~~

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~~1078-47.1. Insiders include:~~

~~1078-47.1.1. members of the issuer's board of directors (supervisory) (if these are bodies of executive bodies;~~

~~1078-47.1.2. persons controlling the activities of the issuer;~~

~~1078-47.1.3. persons who have the opportunity to obtain service information as a result of their position, contract, or as a result of the issuance of the relevant right by the issuer or other insider;~~

~~1078-47.1.4. persons who own more than ten percent of the authorized capital of the issuer;~~

~~1078-47.1.5. persons affected by articles 1078-47.1.1-1078-47.1.4 of this Code during the last 12 months;~~

~~1078-47.2. Insiders must not:~~

~~1078-47.2.1. engage in transactions with the use of service information that may affect the circulation of securities;~~

~~1078-47.2.2. provide service information to others to induce them to enter into transactions;~~

~~1078-47.3. The insider must disclose the information about the transaction with the securities owned by him in the manner determined by the relevant executive authority;~~

~~1078-47.4. When the fact of conclusion of contracts with the use of service information or an attempt to conclude such a contract is discovered, the professional participants of the securities market must disclose the conclusion and execution of the contract and immediately report this information to the relevant executive authority.~~

Chapter 55.

Public announcement of special award. Competition

Article 1079. Concept of public announcement of special reward

For the performance of any action, for example, the achievement of a certain result, the person who assigns a reward within the framework of a public announcement must pay a reward to the person who performed that action. This rule is valid even if the person does not expect a reward while performing that action.

Article 1080. Cancellation of public announcement of special award

1080.1. The promise of reward can be canceled until the action provided for in the public announcement is performed.

1080.2. The cancellation of the award provided for in the public announcement is valid only if the cancellation is announced in the same way as the appointment of the award was announced, or if it is announced in a special information.

1080.3. The possibility of cancellation may be excluded in the public announcement of the award. In a case of doubt, such an exception is permitted if a period for performing the action envisaged in the public notice is specified.

Article 1081. Awarding of the award provided for in the public announcement

1081.1. If several people perform the assigned action, the first person to perform the action is entitled to the reward.

1081.2. If several people perform the action at the same time, the reward is divided equally among them.

1081.3. If several people participate in achieving the result for which the prize was awarded, the person who appointed the prize divides the prize between them on the basis of a fair judgment into account the share of participation of each of them in achieving the result. A manifestly unfair distribution has no binding force and can be changed by a court decision based on the application of the participants. If one of the participants does not accept the binding force of the division, the person who set the award has the right to refuse to award the award until all participants have resolved the dispute about who has the right to what. Each of the participants can request that the prize be divided for all.

1081.4. In the cases provided for in Articles 1081.2 and 1081.3 of this Code, if the award is to be divided according to its nature or if it is intended for one person according to the announcement, it is awarded by lottery.

Article 1082. Concept of competition and its legal consequences

1082.1. A contest is a public announcement of a reward for performing a certain action; at the persons performing the action (participants) submit an application for submission of v participate in the competition to receive the prize given by one or more members of the jur person who appointed the prize. The prize may also consist of a promise to place an orde winner.

1082.2. If the subject of an open announcement on awarding is an application to submit v participate in the competition with a prize, this announcement is valid only if the deadline submission of works is specified.

1082.3. The decision on whether the work submitted on time meets the conditions competition and which of the participants deserves preference is made by the person specific conditions of the competition, and if this is not specified in the conditions, by the pers announced the competition. The decision is binding on all participants and cannot be appeal court. This rule does not apply if the procedure and terms of awarding the prize are regula different way.

1082.4. If the cases are of equal merit, the provisions of Articles 1081.2 and 1081.4 of this Co be applied to awarding the competition prize.

1082.5. The person who announced the competition may request the transfer of ownership the work presented by one of the participants in order to receive a prize only if he has determin transfer of rights in the conditions of the competition.

1082.6. If the conditions of the competition for project development indicate the intentio person who announced the competition to entrust the further development of the project to the of the prize, the person who announced the competition is obliged to entrust the further develop the project to one of the recipients of the prize after the implementation of the project.

1082.7. It is forbidden to participate in the competition if it is connected with the purchase or other services from the person who announced the competition. Contracts for the purchase or other services concluded in connection with participation in the competition are not valid.

Chapter 56.

Conducting games and betting

Article 1083. Definition of games and bets

1083.1. Games and bets are non-commercial contracts in which the participants gain or suff that depend, at least in part, on uncertainty or chance. *The provisions of this chapter do not derivative financial instruments.* [\[751\]](#)

1083.2. The following are considered games and bets:

1083.2.1. knowingly making loans and advances for gaming or betting;

1083.2.2. commodity transactions or securities transactions of a gaming or betting nature.

Article 1084. Exclusion of requirements for *games and bets, except for lotteries and sport*

With the exception of lotteries and sports betting, no gaming or betting requirements arise.

Article 1085. Voluntary payments

1085.1. Payments made voluntarily in the process of playing and betting are non-refundable

1085.2. A contract or security for the acknowledgment of an existing debt signed by a gambler or bettor for the purpose of paying the amount lost in a game or bet is not enforceable, even if it is in writing.

Article 1086. Demand for lotteries [\[753\]](#)

The suspension of the lottery in the cases provided by the legislation or the termination of the lottery holding does not exclude the claim of the owner of the lottery ticket (another equivalent data carrier) against the lottery organizer for the awarding (payment) of winnings. [\[754\]](#)

Eighth section

STATUTORY OBLIGATIONS

Chapter 57.

Don't do other things without assignments

Article 1087. Conducting other's affairs honestly without assignment

1087.1. A person (executor) who conducts the affairs of another (the owner) without an assignment or other basis is obliged to conduct it in good faith.

1087.2. If the entrepreneur later approves the execution of works without an assignment, the provisions on the assignment shall be applied instead of the provisions of this section.

Article 1088. Notification duty

1088.1. The executor must notify the entrepreneur as soon as possible about taking over the work, and, if the delay is not due to any risk, he must wait for his decision.

1088.2. The executor must continue the work he started until the time when the entrepreneur can operate himself.

Article 1089. Liability of the executor

1089.1. The executor is responsible to the entrepreneur for the compensation of damages caused by his fault.

1089.2. When the purpose of conducting work is to protect the entrepreneur from imminent danger, the liability of the executor is limited to the limits of liability for intent and gross negligence. [\[755\]](#)

1089.3. If the conduct of work is contrary to the declared or otherwise revealed will of the entrepreneur, the executor is liable to the entrepreneur even if he did not cause the damage intentionally or due to carelessness, except for cases where the executor proves that the damage could have occurred without his intervention. [\[756\]](#)

1089.4. In case of incapacity or limited capacity, the executor shall be liable only in accordance with the provisions on wrongful acts and unjust enrichment.

Article 1090. Rights of the executor

1090.1. If the conduct of work is in the interest and probable desire of the entrepreneur, the executor may request reimbursement of expenses and release from obligations. If the executor acts in good faith, this rule is applied even if the performance of the work does not end with the intended result. [\[757\]](#)

1090.2. If accepting to carry out the work does not correspond to the interest and probable desire of the entrepreneur, the executor may request the entrepreneur to be compensated for expenses incurred and released from obligations only if the entrepreneur is enriched in the process of carrying out the work. [\[758\]](#)

1090.3. The interest and probable desire of the entrepreneur in the performance of work with respect to the assignment is not taken into account if the performance of such work is related to the fulfillment of public duties or other requirements of the entrepreneur. [\[759\]](#)

Chapter 58.

Unjust enrichment

Article 1091. Concept of unjust enrichment

1091.1. A person who is unjustly enriched (enriched person) is considered to have been enriched at the expense of another person (deprived person) without a legal basis. [\[760\]](#)

1091.2. Unjust enrichment occurs only when there is no legal basis or contractual basis for such enrichment. Enrichment without a legal basis is also considered to have occurred in case such enrichment is based on an unrealized basis or a basis that has subsequently disappeared.

Article 1092. Duty to return what was obtained as a result of unjust enrichment

1092.1. A rich person must return what he has acquired to a deprived person at his request. The return duty also applies to:

1092.1.2. whether or not the acquirer acquires them by virtue of or as compensation acquisitions.

1092.2. If it is not possible to give the obtained items, their value is paid.

1092.3. If the wealthy person proves that he is no longer wealthy at the time when the requested, claims in accordance with Articles 1092.1 and 1092.2 of this Code are excluded. This does not apply to an enriched person who knows that there is no legal basis for it before or immediately during the enrichment. [\[762\]](#)

Article 1093. Request for return

1093.1. A deprived person who gives something to an enriched person, not for the performance of an obligation, but for the enriched person's performance or non-performance of any action, must return back what he gave if the enriched person's act is not in accordance with the expected purpose.

1093.2. Refund requests are excluded in the following cases:

1093.2.1. if the goal was impossible to achieve in advance and the giver knew it;

1093.2.2. if the grantor has dishonestly obstructed the attainment of the purpose.

Article 1094. Reimbursement of expenses of the person who has become rich

Reimbursement of the expenses incurred on the item acquired by the unjustly enriched person without any legal basis is carried out in accordance with the procedure established by Articles 157.7 of this Code. [\[763\]](#)

Article 1095. Expiration of the period for returning the object of unjust enrichment

The right to return the object of unjustified enrichment expires no later than two years after the time when the deprived person became aware of his right. In other cases, the expiration is determined according to general instructions.

The ninth section

LIABILITIES ARISING FROM CIVIL VIOLATIONS (TORTS)

Chapter 59.

Civil violations (delicts)

Article 1096. Concept of civil law violations (delicts).

1096.1. A civil offense (delict) is a culpable, unlawful (violating the norms of civil law) act (or inaction) that leads to direct damage or harm to another person (victim) protected by law or law.

Article 1097. Grounds of liability for civil violations

1097.1. Damage caused to the personality or property of a natural person as a result of a violation (delict), as well as damage caused to the property and business reputation of a legal entity must be paid in full by the injured party. By law, the duty to compensate for the damage assigned to the person who did not cause the damage.

1097.2. *Removed.* [\[765\]](#)

1097.3. Even if the victim is not at fault by law (for an objectively illegal act), compensation damage may be provided.

1097.4. *Removed.* [\[766\]](#)

1097.5. If the damage was done at the request or consent of the victim, compensation is refused.

Article 1098. Prevention of damage

1098.1. The threat of future harm may justify a claim to prohibit the activity that creates the threat.

1098.2. If the damage caused is the result of the operation of the building, plant or other production activity that continues to cause it or threatens to cause new damage, the court may impose on the defendant, in addition to paying compensation for the damage, the duty to stop and terminate the relevant activity.

1098.3. The court can refuse the claim for suspension or termination of the relevant activity if the suspension or termination of that activity is against the state interests. Refusal to stop or terminate such activity does not deprive the victims of the right to compensation for the damage caused by the activity.

Article 1099. Liability of a legal or natural person for a civil law violation (delict) committed by its employee [KMQ19](#)

1099.1. A legal or physical person is responsible for the civil law violation (delict) committed by its employee and must pay compensation for the damage caused by his employee during the performance of labor (service, office) duties.

1099.2. An employee is a natural person who works on the basis of an employment contract with a legal entity as a natural person who works under a civil law contract, who applies to the rules provided for in this chapter of this Code, provided that at this time he is under the instruction of the relevant legal entity and his control over the safe conduct of work. operate or should operate under.

Article 1100. Liability for damage caused by state bodies, local self-government bodies and their officials

es, including as a result of the adoption of an act of a state body or local self-government b
does not comply with the law or other legal act. or the relevant municipality shall pay.

**Article 1101. Liability for damage caused by illegal actions of investigation, pre:
investigation, prosecutor's office and judicial authorities**

1101.1. Compensation for the damage caused to a natural person as a result of illegal co
illegal bringing to criminal responsibility, illegal application of detention as a measure of last
the order not to go to another place, illegal imposition of administrative punishment, regardle
fault of the officials of the investigation, preliminary investigation, prosecutor's office and
authorities. , the Republic of Azerbaijan pays in full in accordance with the law.

1101.2. If the damage caused to a natural or legal person as a result of the illegal activi
investigation, preliminary investigation, prosecutor's office does not lead to the consequences p
for in Article 1101.1 of this Code, its compensation shall be paid on the grounds and in the
established by law.

1101.3. Compensation for the damage caused during the execution of the court of justice i
the judge's guilt is determined by the legally binding judgment of the court.

Article 1102. Payment of damages by a person who has insured his own liability - omitte

Article 1103. Liability for a civil offense committed by a minor under the age of fourteen

1103.1. His parents (adoptive parents) or guardian are liable for damage caused by a minor
under fourteen years of age as a result of a civil law violation, if they do not prove that the dan
not caused by their fault.

1103.2. If a minor in need of guardianship was in a relevant *social service institution* or
similar institution that is his guardian according to the law, that institution is obliged
compensation for the damage caused by the minor, unless it proves that the damage was not c
the fault of the institution. [\[768\]](#)

1103.3. If a minor has caused damage while under the supervision of a *social service insti*
another institution that is obliged to supervise it or a contractually supervised person, that insti
person shall be liable for the damage, unless it proves that the damage was not caused by its faul

1103.4. The duty of parents (adoptive parents), guardians, *social service institutions* an
institutions to compensate for the damage caused by the minor is not terminated when th
reaches the age of majority or acquires sufficient property to compensate for the damage. [\[770\]](#)

1103.5. If the parents (adoptive parents), guardians or other natural persons specified i
1103.3 of this Code are dead or do not have sufficient funds to compensate for the damage caus
life or health of the victim, and if the victim who has become fully capable of functioning l
funds, the court taking into account the property situation of the victim and the victim, as well
circumstances, he can make a decision to pay the compensation for the damage in whole or in p

Article 1104. Liability for a civil offense committed by a minor between fourteen and 18 years of age

1104.1. Minors between the ages of fourteen and eighteen years are independently liable on a general basis for a civil offense resulting in injury.

1104.2. If a minor between fourteen and eighteen years of age does not have sufficient income or other property to compensate for the damage, their parents (adoptors) or guardians must pay the missing part of the damage, unless they prove that the damage was not caused by their fault.

1104.3. If a minor between the ages of fourteen and eighteen years old and in need of guardianship has been in a relevant *social service institution* or another similar institution that is his guardian under the law, that institution is obliged to pay all or the missing part of the damage, unless he proves that the damage was not caused by his fault. . [\[771\]](#)

1104.4. Parents (adoptive parents), guardians and the relevant institution are obliged to provide compensation for the damage caused by a minor between the ages of fourteen and eighteen years when the victim reaches the age of majority or after reaching the age of majority, when he has sufficient income or other property to pay the compensation for the damage, or when he reaches the age of majority it is not terminated when it acquires the ability to operate until it reaches [\[772\]](#)

Article 1105. Liability for a civil law violation committed by a natural person deemed incapable of action

1105.1. Damage caused by a civil law violation committed by an individual deemed incapable of action shall be paid by his guardian or the organization that should supervise him, if they do not prove that the damage was not caused by their fault.

1105.2. The duty of the trustee or the supervising organization to compensate for the damage caused by an individual deemed incapable of functioning shall not be terminated if that person becomes deemed capable of functioning.

1105.3. If the guardian is dead or does not have sufficient funds to compensate for the damage caused to the life or health of the victim, and if the victim has such funds, the court, taking into account the property situation of the victim and the victim, as well as other circumstances, on the payment of all or part of the damage at the expense of the victim himself. can make a decision.

Article 1106. Liability for a civil law violation committed by an individual with limited capacity

The damage caused as a result of a civil law violation committed by an individual with limited activity capacity shall be paid by the victim himself.

Article 1107. Liability for a civil law violation committed by an individual who understands the meaning of his actions

1107.1. A natural person with legal capacity or a minor from fourteen to eighteen years of age

th has been harmed, the court may place the duty of paying the damage in full or in part on the victim, taking into account the property situation of the victim and the victim, as well as the circumstances.

1107.2. A person who has committed a civil rights violation is not exempted from responsibility if he is unable to understand the meaning of his actions or lead them by using alcoholic beverages, narcotic drugs or psychotropic substances or by any other means. [\[773\]](#)

1107.3. If, as a result of a mental disorder, a person who cannot understand the meaning of his actions or control them has committed a civil law violation, the court shall assign the duty of paying damages to the wife (husband) who lives with that person, was aware of the victim's mental condition but did not raise the issue of his being considered incapacitated, parents and adult children.

Article 1108. Liability for damage caused by activities that pose a high risk to others [KMQ19](#)

1108.1. Violation of civil rights as a result of activities related to high danger to others (vehicles, mechanisms, high-voltage electricity, atomic energy, explosives, strong poisons, implementation of construction activities and other related activities, etc.) physical and legal persons who committed are obliged to pay compensation for the damage caused by a source of high danger provided that they do not prove that the damage was caused by the influence of an irresistible force or the intention of the victim. The duty to compensate for the damage is imposed on the natural person who owns the source of high danger by ownership or other legal basis (by lease, by purchase, by attorney for the right to drive a vehicle, etc.). [\[775\]](#)

1108.2. If the owner of a high-risk source proves that the source was removed from his possession as a result of illegal actions of other persons, he is not responsible for the damage caused by that source. In such cases, the responsibility for the damage caused by the source of high danger is borne by the persons who unlawfully acquired the source. If the owner of a high-risk source is guilty of unlawfully taking that resource from his possession, the responsibility can be imposed on both the owner of the source and the person who illegally acquired the high-risk source.

1108.3. Owners of high-risk sources are jointly responsible for damage caused to third parties as a result of the mutual influence of these sources (vehicle collisions, etc.) on the grounds provided in Article 1108.1 of this Code. Damage caused to their owners as a result of the interaction of these sources is compensated on a general basis.

Article 1109. Compensation for damage caused during fire extinguishing - removed. [\[776\]](#)

Article 1110. Compensation for damage caused by an animal

The owner of the animal is obliged to compensate for the damage caused by his animal to other persons. At this time, it does not matter if the animal is under control, lost or escaped. If the owner of the animal is not the owner of the animal, the owner of the animal is not responsible for the damage caused by his animal to other persons.

Article 1111. Compensation for damage caused by the collapse of the building

1111.1. The owner of the building is obliged to pay compensation for the damage caused by the collapse of the building completely or individual parts, except for the cases where the damage is caused by improper maintenance or defect of the building.

1111.2. If the damage is caused as a result of something being thrown or falling from the building or being discharged, the person occupying the relevant room bears the responsibility, except for cases where the damage occurred due to the influence of force majeure or the fault of the victim.

Article 1112. Compensation for damage caused by a medical institution

Compensation for damage to a person's health during treatment in a medical institution (as a result of surgery, wrong diagnosis, etc.) is paid on a general basis. If the victim proves that the damage was caused by his fault, he is released from liability.

Article 1113. Liability for a jointly committed civil offense

1113.1. Persons who have committed a civil offense together are jointly liable to the victim for the damage caused.

1113.2. At the request of the victim and for his interests, the court may impose partial liability on the persons who caused the damage together. Those parts are defined according to the rules stated in Article 1114.2 of this Code.

Article 1114. Right of recourse to the injured party

1114.1. A person who has paid compensation for the damage caused by another person (e.g., the driver of a vehicle, etc.) has the right to claim back the amount of compensation paid to the victim, unless a separate amount is determined by law.

1114.2. The injured party who paid the compensation for the joint damage may demand from the other injured parties the part of the compensation paid to the victim in the amount corresponding to the degree of fault of that injured party. If it is not possible to determine the degree of fault, the injured parties are considered equal.

1114.3. In the case of compensation for the damage caused by an official of the investigating preliminary investigation, prosecutor's office or judicial authorities, if his guilt is determined by a binding judgment of the court, the Republic of Azerbaijan has the right of recourse to that person.

1114.4. The persons who have paid compensation for the damage on the grounds indicated in Articles 1103-1105 of this Code do not have the right of recourse to the injured person.

Article 1115. Methods of compensation for damages

When satisfying the demand for compensation for damage, the court imposes an obligation on the person responsible for causing the damage to pay for the damage in kind, according to the circum-

Article 1116. Consideration of the victim's guilt and property status of the victim - *omitted*

Chapter 60.

Compensation for damage to the life or health of a natural person

Article 1117. Compensation for damage caused to the life or health of an individual during the performance of contractual obligations or other duties

Compensation for damage caused to the life or health of an individual during the performance of contractual obligations, as well as during the performance of military service, police service and other relevant duties, unless a higher measure of responsibility is provided for in the law or contract, is paid according to the rules provided for in this chapter of this Code.

Article 1118. Scope and nature of compensation for damage caused by health impairment

1118.1. When a physical person is injured or his health is damaged in some other way, the amount of his lost earnings (income) that the victim has, or probably can have and lost, as well as the additional expenses incurred in connection with the violation of his health, including treatment, additional nutrition, purchase of medicines, expenses incurred for prosthetics, care of others, sanatorium-resort treatment, acquisition of special means of transport, preparation for another profession are compensated, provided that it is determined that the victim is in need of those types of assistance and care and does not have the right to receive them free of charge.

1118.2. When determining the lost earnings (income), the disability pension awarded to the victim due to injury or other health impairment, as well as other pensions, allowances and other such payments awarded both before and after the damage to the health, are not taken into account, and the disability pension does not lead to a reduction in the amount of compensation (it is not included in the calculation of compensation for damage). The profit (income) obtained by the victim after his health is impaired is not included in the calculation of damages.

1118.3. In accordance with Article 1118 of this Code, the scope and amount of damages to be compensated to the victim may be increased by law or by contract.

Article 1119. Determination of lost earnings (income) as a result of health impairment [\[77\]](#)

1119.1. The amount of the victim's lost earnings (income) to be compensated is determined as a percentage of his average monthly earnings (income) before the injury or other health impairment or loss of working capacity. These percentages should correspond to the degree of the victim's loss of professional labor capacity, and in the absence of professional labor capacity, to the degree of

1119.2. The victim's lost earnings (income) include all types of payment of his labor at a place of work, as well as on the basis of labor and civil law contracts, subject to income tax. Lump-sum payments, including compensation for unused vacation and severance pay upon dismissal, are taken into account. Allowance paid for the period of temporary incapacity for work or leave due to pregnancy and childbirth is taken into account. Income from entrepreneurial activity, as well as author's royalties, are included in lost earnings, while income from entrepreneurial activity is included according to the information of the relevant executive authority. All types of earnings (income) are taken into account in the amounts calculated before taxes. [\[779\]](#)

1119.3. The average monthly earnings (income) of the victim is calculated by dividing the total amount of earnings (income) of the twelve months prior to the health impairment by the number of months the victim has worked for less than twelve months before the injury, the average monthly earnings (income) is calculated by dividing the total amount of earnings (income) for the actual worked months before the injury by the number of those months. The months in which the victim did not work full-time, but was replaced by the previous full-time months at his request, or if it is not possible to replace them, are deducted from the account.

1119.4. If the victim is not working at the time of the damage, the profit earned by him until the time of dismissal or the usual amount of wages paid to an employee of his specialty in that area, but not more than *six manats*, is taken into account. [\[780\]](#)

1119.5. If there were stable changes in the victim's earnings (income) prior to injury or other health impairment that improved his property situation (the salary for the position he held was increased, he was transferred to a higher paid job, he entered work after graduating from the educational institution where he received full-time education, and there was a change in the payment of the victim's labor in other cases where the stability of the possibility of change is proven), when determining his monthly earnings (income), only the earnings (income) he receives or should receive after the change are taken into account.

Article 1120. Compensation for damages when the health of a minor is impaired

1120.1. If a minor (minor) who has not reached the age of fourteen and has no income (income) at the time of injury or his health is damaged in any other way, the person responsible for the damage must pay the expenses incurred in connection with the health damage.

1120.2. When the victim reaches the age of fourteen, as well as when harm is caused to the victim between the ages of fourteen and eighteen who has no income (income), the person responsible for causing the damage shall pay the victim, in addition to the costs related to health impairment, compensation for the loss or decrease in working capacity, but he is obliged to pay not less than *six manats*.

1120.3. If the minor had an income while his health was impaired, compensation for the damage is paid based on the amount of this income, but not less than *six manats*. [\[781\]](#)

1120.4. After starting work, a minor whose health was previously damaged has the right to demand an increase in the amount of compensation for the damage, based on his earned income,

Article 1121. Payment of damages to persons who suffered as a result of the death of the the family

1121.1. In the case of the death of the victim (head of the family), the following have the right to be compensated for the damage:

1121.1.1. disabled persons who were dependents of the deceased or had the right to receive from him until the day of his death;

1121.1.2. a child born after the person's death;

1121.1.3. one of the non-working parents, wife (husband) or other non-working parents who have been under the care of the deceased and who have not reached the age of fourteen, or who have reached this age, or who, according to the opinion of the medical authorities, need the care of someone because of their health condition, and who are engaged in taking care of their children, grandchildren, and other family members - regardless of working capacity;

1121.1.4. persons who were dependents of the deceased and lost their ability to work within one year after his death.

1121.2. One of the parents, wife (husband) or other family member who does not work or is not engaged in taking care of the children, grandchildren, brothers and sisters of the deceased and who has lost the ability to work during the period of care, retains the right to compensation for damages even after the end of taking care of those persons.

1121.3. Damages are paid to:

1121.3.1. minors - up to the age of eighteen;

1121.3.2. to students over the age of eighteen - until they complete their studies in educational institutions, but up to the age of twenty-three at the most;

1121.3.3. to women over the age of fifty-five and men over the age of sixty-five - for life;

1121.3.4. to persons with disabilities - for the period of disability; [\[782\]](#)

1121.3.5. to one of the parents, spouse or other family member who is engaged in taking care of children, grandchildren, brothers and sisters of the deceased - until they reach the age of fourteen.

Article 1122. The amount of compensation for the damage caused in case of the death of the head of the family

1122.1. The persons entitled to compensation for the loss of the head of the family are compensated in the amount of that part of the deceased's earnings (income) determined according to the rules of Article 1119 of this Code, which they received or had the right to receive for their livelihood during the deceased's lifetime. When determining the compensation for the damages paid to other persons, the income of the deceased includes the pension and other such payments received during his lifetime, along with the profit (income).

1122.2. When determining the amount of compensation for damages, pensions assigned to the deceased due to the death of the head of the family and other types of pensions assigned both before and after the death of the head of the family, as well as the earnings (income) and pensions received by those persons, are not included in the calculation of compensation for damages.

1122.3.2. assigning or terminating the payment of compensation to the persons engaged in the care of the children, grandchildren, brothers and sisters of the deceased head of the family.

1122.4. The amount of compensation can be increased by law or by contract.

Article 1123. Later change of the compensation amount

1123.1. If the working capacity of the victim who has partially lost his working capacity reduced due to health impairment compared to the time when the compensation for the damage was determined, he can request an appropriate increase in the amount of compensation from the person entrusted with the task of paying the compensation for the damage at any time.

1123.2. If the victim's working capacity increases compared to the time when the compensation for the damage was determined, the person entrusted with the duty of paying compensation for the damage caused to the health of the victim may demand a corresponding reduction in the amount of compensation.

1123.3. If the property status of the natural person entrusted with the duty of paying compensation for damages has improved, and the amount of compensation has been reduced in accordance with Article 1116.3 of this Code, the victim may demand an increase in the amount of compensation for damage.

1123.4. If the property condition of the damaged natural person has worsened compared to the situation at the time when compensation for damage was determined due to disability ~~including~~ limitations or reaching retirement age, at his request, the court may reduce the amount of compensation for damage, but in cases where the damage was caused by intentional actions is an exception. [\[784\]](#)

Article 1124. Increasing the amount of compensation for damages due to the increase in living expenses and the increase in *the minimum living wage* [\[784\]](#)

1124.1. When living expenses increase, the amount of compensation for damage to the victim's health should be indexed in accordance with the law.

1124.2. In the case of an increase in *the minimum living wage*, the amount of compensation for the victim's earnings (income), other payments determined in connection with the health impairment or death of the victim is increased in proportion to the increase in *the minimum living wage*. [\[785\]](#)

Article 1125. Payments for damages

1125.1. Compensation for the loss caused by the loss of work capacity or death of the victim should be paid through monthly payments. If there are valid reasons, the court may, at the request of the natural person entitled to compensation for damage, determine the payments due to him, taking into account the capabilities of the victim, once, but at most for three years.

1125.2. Amounts of payment of additional expenses can be set for the future within the time period determined based on the opinion of the medical expert if it is necessary to prepay the value of relevant services and property, including the purchase of tickets, travel fare, special transport

1126.1. In the case of reorganization of a legal entity whose liability for damage to life or confirmed in the established manner, the duty to make relevant payments shall be borne by successor. Claims for damages are also being made against him.

1126.2. In the case of liquidation of a legal entity whose liability for damage to life or confirmed in a specified manner, the relevant payments must be capitalized in accordance with established by legislation to be given to the victim. Legislation may determine other cases in payments can be capitalized.

Article 1127. Reimbursement of funeral expenses

The persons responsible for the damage caused by the death of the victim must compensate person who incurred the funeral expenses. The funeral allowance received by the individual incurred these expenses is not included in the calculation of damages.

Chapter 61.

Compensation for damages caused by defects in goods, work or service

Article 1128. Grounds for compensation for damage caused by defects in goods, work or

1128.1. The seller or manufacturer of the goods shall compensate for the damage caused to health or property of an individual as a result of the construction, recipe or other defects (low product) of the goods, work or service, as well as as a result of incorrect or incomplete information the goods (work, service). the person who performed the work or rendered the service (executive pay, regardless of whether he is guilty or not, and whether the victim is in a contractual relationship with them. In cases where property is damaged as a result of defects in goods, work or service, is applied only on the condition that the poor-quality product damaged other property and that property was used mainly for the purpose of consumption. [\[786\]](#)

1128.2. *Removed.* [\[787\]](#)

1128.3. If the product does not provide the reliability expected from it, taking into account circumstances, it is considered a low-quality product.

1128.4. A product is not considered inferior only as a result of the subsequent introduction of a better product into circulation.

1128.5. According to this Code, any movable object is considered a product even if it is another movable or immovable object, as well as electric current. Agricultural products obtained as a result of cultivation and not yet processed, animal husbandry, beekeeping and fishing products (agricultural products) are not included in the products. The same rule applies to products obtained from hunting.

1128.6. According to this Code, the person who produced the final product, the main element of the product is considered a manufacturer. All those who act as producers under their own

1128.8. If it is not possible to identify the manufacturer, the person who sent any product for the cases where he informed the victim about the manufacturer within one month after the or the person who sent him this product is considered the manufacturer. This rule also applies to imported goods if the name of the manufacturer is known but it is not possible to determine the product first.

Article 1129. Persons responsible for damage caused as a result of defects in goods, service

1129.1. The seller or the manufacturer of the product shall pay the compensation for the damage caused as a result of the defects of the goods, at the option of the victim.

1129.2. The person (executor) who performed the work or provided the service must pay the damage caused as a result of defects in the work or service.

1129.3. The persons mentioned in Articles 1129.1 and 1129.2 of this Code must pay compensation for the damage caused as a result of not providing complete or correct information about goods or services (work, service).

1129.4. The provisions of Article 1114.2 of this Code shall be applied in the event that the manufacturer of the product pays for the damage caused as a result of the low-quality product. [\[789\]](#)

Article 1130. Periods of compensation for damage caused as a result of defects in goods, service

1130.1. Compensation for damage caused as a result of defects in goods, work, or services shall be paid if the damage occurred within the defined shelf life of the goods (work, service), and if the shelf life is not defined, it must be paid if it occurred within ten years from the date of production of the goods (work, service).

1130.2. *Removed.* [\[790\]](#)

Article 1131. Grounds for exemption from liability for damage caused as a result of defects in goods, work or service

The seller or manufacturer of the goods, the performer of the work or service shall be released from liability if he proves that the damage was caused by force majeure or as a result of the violation of the rules for using and storing the goods, work, or service results.

Article 1132. Burden of proof

In the case of liability for damage caused by defects in goods, work or service, the burden of proof is placed on the victim.

Tenth section

Chapter 62.

General provisions of inheritance law

Article 1133. Concept of inheritance

1133.1. The property of a deceased person (testator) is transferred to other persons (heirs) by will or both.

1133.2. Inheritance by law (the transfer of the property of a deceased person to persons specified by law) takes effect when the testator does not leave a will, or the will is considered invalid in whole or in part.

Article 1134. Heirs [KMQZ](#)

1134.1. In the case of inheritance by law, the heirs can be persons who were alive at the time of the death of the testator, as well as children born after the death of the testator.

1134.2. In the case of inheritance by will, the heirs can be persons who were alive at the time of the death of the testator, as well as persons who were born during the life of the testator and were alive at his death, regardless of whether these persons are his children or not, as well as whether or not they are legal entities.

Article 1135. Legal entities as heirs

In the case of inheritance by will, legal entities organized before the opening of the inheritance can be invited to the inheritance.

Article 1136. Illegitimate children as heirs of the father

An illegitimate child is considered the heir of his father if paternity is established in accordance with the law. If that child dies before his father, his children can claim a share of their inheritance.

Article 1137. Unworthy heir

A person who deliberately prevented the testator from carrying out his last will and testament, or himself or his close relatives to call for inheritance or increase the shares of the inheritance, intentionally committed a crime or other immoral act against the last will of the testator expressed in his will (unworthy heir) cannot be an heir either by law or by will, provided that those circumstances are approved by the court.

Parents who have been deprived of parental rights and have not restored these rights until the opening of inheritance cannot be heirs of their children by law. Persons who absolutely refuse to take care of the estate of a testator cannot become heirs according to the law, provided that this case is approved by the court.

Article 1139. Deprivation of the right to inheritance by the court

The case that gives grounds for depriving an unworthy heir of the right to inheritance determined by the court on the claim of the person who obtained certain property results in the deprivation of the right of inheritance of the unworthy heir.

Article 1140. Forgiveness of an unworthy heir

If the testator pardons a person who has been found to have committed actions that lead to the deprivation of the right to inheritance, and clearly expresses this decision in the will, that person is allowed to inherit despite his actions. Donation cannot be withdrawn.

Article 1141. The right to inherit the property of another legatee

Deprivation of the right of inheritance does not prevent the person deprived of the right of inheritance from being the heir of the property of another bequeather.

Article 1142. Responsibilities of a person deemed an unworthy heir

If a person is considered an unworthy heir by the court after receiving the inheritance, he is obliged to return all of what he received as a result of the inheritance together with profits and income.

Article 1143. Time period for submitting a claim regarding being considered an unworthy heir

Interested parties must file a claim regarding the person being considered an unworthy heir within five years from the moment that person starts to own the inheritance.

Article 1144. Inheritance share of a person deprived of the right of inheritance

The share of the person deprived of the right of inheritance is transferred to the remaining heirs called to inherit and is distributed among them in proportion to their shares. [\[791\]](#)

Article 1145. Opening of inheritance

Inheritance is opened upon the death of a natural person or when he is declared dead by a court.

Article 1146. When the inheritance is opened [KMQ7](#)

Article 1147. Place of inheritance

1147.1. The place of residence of the testator, and if this is not known, the place where the inheritance is located is considered the place where the inheritance was opened.

1147.2. If the inheritance is in different places, the place where the inheritance is opened is considered to be the place where the immovable property or its valuable part is located, and if there is no immovable property, the place where the movable property or its main part is located.

Article 1148. The place where the inheritance of persons living abroad is opened

The place where the inheritance is opened after the death of a citizen of the Republic of Azerbaijan who temporarily lived abroad and died there is the place where he lived in the Republic of Azerbaijan before going abroad, and if this place is not known, the place where the inheritance or its main part is located.

Article 1149. The place where the inheritance of persons who have permanently lived abroad is opened

After the death of a citizen of the Republic of Azerbaijan who has permanently lived abroad, the place where the inheritance is opened is considered the country of his residence.

Article 1150. Opening of inheritance abroad

A citizen of the Republic of Azerbaijan who has lived in the Republic of Azerbaijan and has opened an inheritance in a foreign country in accordance with the legislation of that country.

Article 1151. Inherited property

1151.1. Inheritance (inherited property) includes a set of property rights (inheritance assets) and obligations (inheritance liabilities) that the bequeather has until the moment of his death.

1151.2. Inheritance includes the share of common property until death, and the value of the property if it is not possible to divide the property in kind.

Article 1152. Willing of future property

The bequeather may specify in the will the property that he did not have at the time of making the will, provided that this property is his property until the time of the opening of the inheritance.

Article 1153. Inadmissibility of transfer of personal rights and duties by inheritance

Property rights and duties of a personal nature that can belong only to the bequeather, and rights and duties provided for by law or contract, which are valid only during the lifetime of the

Article 1154. Protection of non-property rights of the testator

The heirs can exercise and protect the non-property rights of the testator, which are not part of the inheritance, in accordance with the law.

Article 1155. Non-inherited property

1155.1. Family notebooks (or writings), family chronicles, memorial and other ritual objects, objects placed on graves are not included in the inheritance and are not distributed among the heirs. These objects are given to the heir according to established custom. Those items can be accepted by the heir who inherits the inheritance.

1155.2. Documents relating to the identity of the testator, his family or the entire inheritance are considered as common property.

Article 1156. Consequences of increasing the property provided for in the will

If the testator, after drawing up the will, increases the immovable property provided for in the will by acquiring the property related to that property, this property does not enter into the inheritance unless a new disposition is made regarding the property acquired after the drawing up of the will.

Article 1157. Inheritance partners

If there are several heirs, the inheritance belongs to all the heirs in the form of a single estate until it is distributed among the heirs. From this property, the necessary expenses for the care and treatment of the testator during his last illness, burial, protection and management of the inheritance, the payment of wages and execution of the will can be paid. These claims must be paid in priority from the value of the inheritance and to all other claims, including mortgages and other secured claims.

Article 1157 - 1. Administration of inheritance by co-heirs [\[792\]](#)

1157-1.1. The co-heirs manage the inheritance jointly until it is distributed. Decisions regarding the management are made by the heirs by a simple majority in proportion to their inheritance shares.

1157-1.2. Each heir can carry out the measures related to the protection of the inheritance without the consent of the other partners of the inheritance.

1157-1.3. Heirs bear the costs of managing the inheritance in proportion to their shares in the inheritance.

Article 1158. The right to demand an object from the inheritance

1158.1. If the testator left the thing wrongly for the heir, the owner of that thing can claim it back in a general manner.

Chapter 63.

Inheritance by law

Article 1159. Heirs by law [KMQ21](#)

1159.1. In the case of legal succession, the following are considered heirs with equal share in the inheritance:

1159.1.1. In the first place - the children of the deceased, the child born after the death of the testator, wife (husband), parents (adoptors).

1159.1.2. The adoptee and his children are treated as the heirs or relatives of the adopter, the children of the adopter and their children.

1159.1.3. The grandchildren, great-grandchildren and children of the latter are considered heirs according to the law if their parents, who will be the heirs of the bequeather, are not alive at the time the inheritance is opened. They inherit equal to the share due to their deceased parent during the inheritance succession.

1159.1.4. Grandchildren, grandchildren and children of the latter cannot be heirs if their parents have refused to accept the inheritance.

1159.1.5. The adopter and his relatives are equal to the parents and other blood relatives of the adoptee as heirs of the adoptee and his children. After the death of the adopted person or his parents, the parents of the adopted person, his other blood relatives on the ascending line, brothers and sisters no longer have the right of inheritance by law.

1159.2. In the second place - sisters and brothers of the deceased. The testator's nieces and nephews and their children are considered heirs by law if their parents, who will be the testator's heirs, are not alive at the time the inheritance is opened. They inherit their deceased parent's share of the inheritance in accordance with the law.

1159.3. In the third place - maternal and paternal grandparents, grandmother's mother and grandfather's mother and father. Grandmother's mother and father, grandfather's mother and father are considered heirs according to the law, if they are not alive at the time of inheritance.

1159.4. In the fourth place - aunts and uncles, uncles and aunts.

1159.5. In the fifth place - children of aunts and uncles, children of uncles and cousins, and their children, if they are not alive, their children.

Article 1160. Alternation during inheritance by law

The existence of at least one of the heirs of the previous turn excludes the inheritance of the next turn.

Article 1161. Rights of incapacitated persons during inheritance

If the dependents of the bequeather and who are unable to support themselves are not named in the will, they can claim maintenance (alimony) from the inheritance. The size of the amount to be claimed is determined by the court.

Article 1169. Joint will

A will must contain the disposition of a legatee. The will is not allowed to be drawn up by two or more persons. Only husband and wife can draw up a joint will on mutual inheritance. It may be revoked at the request of the husband or the wife, but during the lifetime of both of them.

Article 1170. Determining the shares of the testator

1170.1. The testator can determine the inheritance shares of the heirs appointed by the will, and specify which property is given to which heir. If there is no such instruction in the will, the inheritance is divided equally among the heirs.

1170.2. If several heirs are designated by the will, but only one heir's share is defined in the will, the other heirs receive the remaining property equally.

Article 1171. Distribution of inheritance among heirs by will

If several heirs are designated by the will, and the share assigned to one of the heirs consists of the entire inheritance, all the heirs under the will must receive equal shares.

Article 1172. Inheritance to property left out of the will

If the shares of the heirs designated by the will do not cover the entire inheritance, the property left out of the will is inherited according to the law, and if the will does not provide a different rule, the inheritance also applies to the heirs according to the law to whom a part of the property was bequeathed.

Article 1173. Proportional increase of shares among the heirs under the will

In the case of heirs designated only by will, if each heir's share is determined by the will, but the shares of all of them taken together do not fully cover the inheritance, their shares are increased proportionately.

Article 1174. Inadmissibility of third party participation in determining the share of inheritance

The testator cannot assign to another person to determine who should receive a share of the inheritance and in what amount.

Article 1175. Impossibility of precisely determining the heirs

If the testator has determined the identity of the heir by signs that may correspond to several persons, and it is not possible to determine which of them he meant, all of them are considered heirs.

Article 1176. Deprivation of the right to inheritance by will

1176.1. The testator can disinherit one, several or all of the legal heirs by will and is not obliged to justify it.

1176.2. A person disinherited by a direct instruction in a will cannot be an heir by law to the property not included in the will, even if the heirs under the will refuse to accept the inheritance.

Article 1177. Preservation of the right of inheritance

Heirs under the law not specified in the will retain the right of inheritance to the part of the inheritance not mentioned in the will; if none of the heirs according to the will is alive at the moment of the opening of the inheritance, or if all of them refused to accept the inheritance, they also receive the property specified in the will.

Article 1178. Inadmissibility of inheritance by law

If in the will the entire inheritance is distributed among the heirs under the will, but one of them is not alive at the time of the opening of the inheritance, then the inheritance does not take effect according to the law, and the other heirs receive their share of the property in proportion to the share of the other heirs under the will. [\[795\]](#)

Chapter 65.

Form of will

Article 1179. Notary form

1179.1. The will must be made in writing. Also, a written will in notarized form or with a notary is allowed.

1179.2. The notary form requires that the will be drawn up and signed by the testator, by a notary, and in the absence of a notary, by the relevant executive authorities. [\[796\]](#)

Article 1180. Writing the will by a notary

1180.1. It is allowed for the notary to write the will in the presence of two witnesses from the family of the testator. When writing a will, generally accepted technical means can be applied.

1180.2. The testator must read the will written by the notary from the words of the testator in the presence of the notary and witnesses.

Article 1181. Persons considered equivalent to a notary

1181.1. the chief physician, head of a hospital, hospital, other treatment facility, sanatorium, deputies and doctors on duty, or the chief physician *of social service institutions for the elderly and the head of a special educational institution* - if the testator is being treated in this institution, lives; [\[797\]](#)

1181.2. the head of search, geographical and other such expeditions - if the testator is on expedition;

1181.3. the captain of a sea or aircraft - if the testator is on a sea or aircraft;

1181.4. the commander (head) of a military unit, unit, enterprise and school - if there is no one at the location of the military unit and if the testator is a military serviceman in the military unit or a civilian serving in that unit, or his family member;

1181.5. head of the place of deprivation of liberty - if the testator is in the place of deprivation of liberty.

Article 1182. Signing the will by another person

If the testator is unable to sign the will for any reason, another natural person can sign on his behalf. request. In this case, it should be stated why the testator could not sign the will.

Article 1183. Will of a person *with completely limited speech, hearing and vision* [\[798\]](#)

1183.1. If the testator *is a person who is completely speech-hearing impaired, or is completely speech-hearing-impaired and illiterate*, the testamentary disposition must be executed by two witnesses at a notary public. one person who can explain to him the essence of the case and confirm with his signature that the content of the will is in accordance with the will of the testator. must be drawn up next to the person. [\[799\]](#)

1183.2. The testator, who is *completely blind* or illiterate, must draw up the will in the presence of three witnesses at a notary. A corresponding note should be written and read to him. [\[800\]](#)

1183.3. If the testator *is a person who is completely speech-hearing-visually disabled, or if he is completely speech-hearing-visually disabled* and illiterate, four witnesses who can explain the essence of the case to him and who can confirm with his signature that the content of the will is in accordance with the testator's will must be signed by a notary public. one person must draw up next to the person. [\[801\]](#)

1183.4. The will can be written and read by witnesses, but the will must not be read by the testator when writing it.

1183.5. The note must indicate who wrote it and read it to the testator. The record must be signed by witnesses and certified by a notary.

Article 1184. Witnesses of the will

Minors, persons considered incapacitated, heirs under a will and their ascending and descending relatives, sisters, brothers, wife (husband) and legatee cannot be witnesses of a will.

The notary, other person who approved the will, witness, as well as the persons who sign the will instead of the testator cannot disclose the information related to the content, drafting, modification or cancellation of the will until the inheritance is opened.

Article 1186. Household will

The testator can write and sign the will with his own hand.

Article 1187. Depositing the will [\[802\]](#)

1187.1. The testator can put the will written and signed by his own hand in an envelope and give it to a notary public or officials of the consulates of the Republic of Azerbaijan in the presence of three people. The presence of those persons is determined by their notarized signature in the envelope. [\[803\]](#)

1187.2. The preservation of this type of will must be ensured by officially depositing it in the notary public (or in the consulates of the Republic of Azerbaijan). [\[804\]](#)

Article 1188. Drafting of a will using technical means

The text of the will can be expressed with the help of generally accepted technical means. The signature must be left by the testator. In this case, the testator must draw up and sign the will in the presence of two witnesses. Those witnesses must confirm that the will was drawn up using a technical means in their presence. Immediately after the testator signs the will, the witnesses must confirm the will by indicating their names, surnames and places of residence in the will by means of an appropriate signature.

Article 1189. Closed will

1189.1. At the wish of the testator, the witnesses must approve the will without being familiar with its contents (closed will). In this case, the witnesses must be with the testator during the drafting of the will.

1189.2. When certifying a sealed will, witnesses must show that the will was drawn up in the presence of the testator in their presence, but that they do not know the contents of the will.

Article 1190. Date of making the will

The date of its execution must be indicated in the will. Failure to specify the date causes the invalidity of the will only if the doubts about the testator's capacity to act are not removed at the time of drawing up, changing or canceling the will, as well as if there are several wills.

Article 1191. Acquaintance of interested persons with the contents of the will

will is sealed, the integrity of the seal must be noted.

Article 1192. Reserve heir

1192.1. The testator may indicate the name of another heir (reserve heir) in the will in case appointed by him dies before the inheritance is opened or does not accept the inheritance, or is deprived of the right to inherit.

1192.2. According to Articles 1134-1136 of this Code, any person who can be an heir can be a reserve heir.

Chapter 66.

Mandatory share in inheritance

Article 1193. Concept of compulsory share in inheritance [KMQ12](#)

The testator's children, parents and wife (husband) have a mandatory share in the inheritance regardless of the content of the will. This share should be half of the share (compulsory share) that they would have received if the testator died intestate at the time of inheritance by law. [KMQ13](#)

Article 1194. The moment when the right to demand the compulsory share arises

The right to demand a compulsory share is created at the moment of opening the inheritance. The right of claim is inherited. Other heirs act as co-debtors before the person who has the right to demand the compulsory share. [\[805\]](#)

Article 1195. Determining the volume of the mandatory share

The full extent of the compulsory share is determined from the entire inheritance, including property intended to fulfill the testamentary task or any action for general beneficial purposes.

Article 1196. Determining the compulsory share of each of the heirs

When determining the compulsory share of each of the heirs, if there was no will, all heirs under the law who could be called to inherit should be taken into account. Intestate heirs are ranked in order of priority into account.

Article 1197. Compulsory inclusion of purchased property in the share

A person who has the right to receive a compulsory share is obliged to include in the compulsory share the value of the property that he has acquired by purchase during the lifetime of the testator.

If the person who has the right to receive a compulsory share and at the same time receives a testamentary assignment (legacy) refuses the testamentary assignment, he can demand a compulsory share. If he does not refuse the testamentary assignment, he loses the right to a compulsory share to the extent of the value of the testamentary assignment.

~~Article 1199. Allocation of a compulsory share from the property not provided for in the will~~
[\[806\]](#)

~~If not all of the inherited property is provided for in the will, the mandatory share is allocated from all from the property not provided for in the will, and if it is not sufficient, it is complete at the expense of the property provided for in the will.~~

Article 1200. Increasing the mandatory share due to the donated item [KMQ12](#)

When the bequeather donates an object to a third person, the person entitled to a compulsory share may demand the completion of the obligatory share in the amount by which his compulsory share would have increased if the donated object had been included in the inheritance. If two years have passed since the gift was given by the time the inheritance is opened, the gift is not taken into account.

Article 1201. The right to demand completion of the share

If a person with the right to a compulsory share has been bequeathed less than half of the share that he can receive during inheritance by law, he can claim the part for which the share he receives under the will is less than half of the share that he can receive during inheritance by law.

Article 1202. Refusal to accept the compulsory share

1202.1. An heir entitled to a compulsory share may refuse to accept it, but this refusal does not result in an increase in the compulsory share of other heirs. His share is transferred to the heirs by will.

1202.2. Acceptance or refusal of a compulsory share must be carried out within the time period prescribed for acceptance or refusal of inheritance.

Article 1203. Deprivation of the right to receive a compulsory share

1203.1. Deprivation of the right to a compulsory share is generally possible if there are circumstances that lead to the deprivation of the right to inheritance.

1203.2. Deprivation of the right to receive a compulsory share can be carried out by the court during his lifetime by applying to the court.

1203.3. The decision of the court on the deprivation of the right to receive a compulsory share becomes effective from the moment the inheritance is opened. Such a result occurs even if the

~~Article 1204. Mandatory share transfer to heirs by will~~ [\[807\]](#)

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~~The share of the heir deprived of the right to receive a compulsory share is transferred to under the will.~~

Chapter 67.

Bequest

Article 1205. Concept of testamentary assignment

The testator can entrust the execution of any obligation for the benefit of one or more persons (heir) (bequest).

Article 1206. The subject of the will assignment

The subject of the testamentary assignment may be the transfer of the items include inheritance to the ownership, use, or right of other property of the recipient of the testamentary assignment (legacy), acquisition and transfer of non-inherited property, performance of certain rendering of services, etc.

Article 1207. Use of the living room according to the will assignment

The testator may assign the right to use the room or a certain part of it for life to the person who lived with the bequeather for not less than one year until the inheritance was opened. If the ownership of the living room is later transferred to someone else, the right to use it for life remains in force.

Article 1208. Non-alienation of the right to use a living room for life

1208.1. The right to use the living room for life is not alienable and does not pass to the heirs of the testator.

1208.2. If a separate case is not provided in the will, the right to use the living room for life gives grounds for the family members of the testator to live in that room.

Article 1209. Execution limits of testamentary assignment

The heir who is entrusted with the execution of the will must perform that task within the limits of the real value of the bequeathed inheritance, minus the part that the bequeather has to pay for the debts of the bequeather.

Article 1210. Execution of the will by other heirs

vided that there is no exception to the will.

Article 1211. Termination of execution of the will

In the case of the death of the heir entrusted with the execution of the testamentary task, if the execution of the testamentary task is impossible without his participation, the obligation to execute the testamentary task is terminated.

Article 1212. Execution of the will assignment in proportion to the share in the inheritance

When execution of the testamentary task is entrusted to several heirs, each of them executes the testamentary task in proportion to his share in the inheritance, unless a separate rule is provided in the will.

Article 1213. Term of execution of testamentary assignment

The recipient of the testamentary assignment may demand that the testamentary assignment be executed within a three-year claim period, calculated from the day the inheritance was opened.

Article 1214. Assignment of will when taking a compulsory share

If the heir has the right to receive a compulsory share under the will to which the execution of the testamentary task is entrusted, he executes the testamentary task only to the extent of the part of the bequeathed property that he receives in addition to the compulsory share.

Article 1215. Responsibility of the recipient of the will assignment

The receiver of the will is not responsible for the debts of the testator.

Article 1216. Refusal of testamentary assignment

The recipient of the testamentary assignment may refuse to accept the testamentary assignment. In this case, the relevant part of the inheritance is left to the heir to whom the testamentary task was entrusted.

Article 1217. Exemption from the execution of the will

If the recipient of the testamentary task refuses to accept it, the heir entrusted with the execution of the testamentary task is released from the duty to execute it.

Article 1218. Transfer of the will assignment to the heirs

mentary assignment is transferred to his heirs who will accept the assignment instead.

Article 1219. Bequest assignment for general beneficial purposes

1219.1. The testator can instruct the heir to perform any action for general beneficial purposes. The action can be both property and non-property.

1219.2. If the assigned action concerns property, the norms governing testamentary assignments apply.

1219.3. In the event of the death of the heir to whom the execution of any action for general beneficial purposes is assigned in the will, the execution of this obligation is transferred to other heirs who have accepted the inheritance.

1219.4. The executor of the will, and in the absence of such, any heir, as well as an inheritance administrator, political party, public association, trade union and religious organization, fund, state authority or self-government bodies can demand the execution of the action assigned to the heir through the executor.

Chapter 68.

Alteration or revocation of a will

Article 1220. Possibilities of changing the will

1220.0. The testator can always change or revoke the will in the following ways:

1220.0.1. by drawing up a new will that directly cancels the previous will or its part that conflicts with the new will;

1220.0.2. by submitting an application to the notary body;

1220.0.3. With the destruction of all copies of the will by the testator or by the notary on his application.

Article 1221. Inadmissibility of restoration of revoked will

A will revoked by a subsequently executed will cannot be restored even if the subsequently executed will is revoked by filing an application.

Article 1222. Several wills

If the testator made several wills, but they complement each other and do not completely contradict each other, all wills remain valid. The instructions of the previous will remain in effect unless they are contradicted by the subsequent will.

Article 1223. Superiority of notarial will

1223.1. If a person has drawn up several wills and only one of them is drawn up in the presence of a notary, that will is superior to the others.

Article 1224. Grounds for invalidating a will

1224.0. The will becomes invalid in the following cases:

1224.0.1. when the person for whose benefit the will is drawn up dies earlier than the testator;

1224.0.2. if the bequeathed property is lost or alienated by the testator during his lifetime;

1224.0.3. when the sole heir refuses to accept the inheritance.

Article 1225. Invalidity of the will

1225.1. A will is generally considered invalid if there are circumstances that lead to invalid contracts.

1225.2. Testamentary orders that are contrary to law, as well as terms that are unreasonably inconsistent with each other, are void.

1225.3. If the will was drawn up in violation of the rules established by this Code, as well as in a situation where the person could not understand the meaning of his action and could not control his action, it may be considered invalid by the court.

Article 1226. Invalidity of separate testamentary dispositions

1226.1. A testamentary disposition giving grounds for calling for succession to a non-inheritor is invalid.

1226.2. If someone has bequeathed a sum of money that is not in the inheritance, such disposition of the will is invalid.

1226.3. The testamentary decree stating that the heir will receive the inheritance for a certain period of time or not from the day of the death of the bequeather, but later, as well as to whom the inheritance should pass after the death of the heir, is invalid.

Article 1227. Invalidity as a result of the impossibility of execution of the will order

If the testamentary order cannot be executed by the heir due to his health condition or other objective reasons, it may be considered invalid at the claim of the heir.

Article 1228. Consequences of the invalidity of one of the will orders

If one of several testamentary dispositions is invalid or void and the testator has not made any other dispositions, the remaining dispositions of the will remain valid.

Article 1229. Inheritance in case of invalidity of the will

If the will is considered invalid, the heir deprived of the right to inherit by this will can receive inheritance on general grounds.

The legal heirs and other related persons may dispute the validity of the will in cases of the invalidity of the agreement.

Article 1231. Claim filing period

1231.1. A claim to invalidate a will can be filed within two years from the day the inheritance opened.

1231.2. If the testator wrongly bequeaths the property of another person to the heir as property, the claim period stipulated in Article 1231.1 of this Code does not apply to the claim owner.

Chapter 69.

Execution of a will

Article 1232. Subjects of will execution

In the absence of instructions in the will, its execution is entrusted to the heirs under the will. The heirs can entrust the execution of the will to one of them or another person based on mutual agreement.

Article 1233. Appointment of the executor of the will

For the purpose of the exact execution of testamentary orders, the testator can appoint one or more executors of the testament from among the heirs under the testament, as well as another person who is not an heir. If another person is appointed, the executor's consent is necessary. He must express his consent by writing in the will itself or in an application attached to the will.

Article 1234. Refusal to execute a will

The executor of the will can at any time refuse the duty assigned to him by the testator. He must notify the heirs of the will in advance.

Article 1235. Appointment of the executor of the will by a third party

The testator can instruct a third person to appoint the executor of the will. That person must immediately appoint the executor of the will after opening the inheritance and inform the heirs. He can refuse to perform that task. He must inform the heirs about this without delay.

Article 1236. Full or partial execution of the will

The executor of the will may be instructed to execute the will in its entirety or its individual

From the moment the inheritance is opened, the executor of the will must start protecting and managing the inheritance; he is authorized to perform all actions necessary for the execution of the will. Under this authority, the heirs lose the right to manage the estate.

Article 1238. Protection and management of inheritance by several executors

If there are several executors of the will, individual actions are allowed only for the purpose of protecting the inheritance, in other cases, agreement between them is necessary.

Article 1239. Reimbursement of costs of execution of the will

1239.1. The executor of the will performs his duties free of charge, although, if it is stipulated in the will, he can also receive a salary.

1239.2. The executor of the will has the right to be reimbursed from the inheritance for necessary expenses incurred for the protection and management of the property.

1239.3. The executor of the will, who has no heir, cannot pay other expenses from the inheritance except for the cases provided for in Article 1249 of this Code.

Article 1240. Executor's report

After executing the will, the executor of the will is obliged to report on his activities to the heirs at the request of the heirs. The executor of the will performs his functions until all the heirs receive the inheritance.

Article 1241. Dismissal of the executor of the will

If the executor of the will does not fulfill his duties, the interested person can apply to the court with the request to remove the executor.

Article 1242. Responsibility of the executor of the will

If the executor of the will deviates from the performance of the duties assigned to him by the will intentionally or due to gross negligence and thereby causes damage to the heirs, he must be responsible for this damage.

Chapter 70.

Acceptance of inheritance and refusal to accept it

Article 1243. Acceptance of inheritance [KMO10](#)

1243.2. The inheritance is considered accepted by the heir when he/she submits an application at the notary *office* of the place where the inheritance was opened that he/she has accepted the inheritance or when he/she actually starts owning the property or managing the property, and thus demonstrates without doubt that he/she has accepted the inheritance. [\[808\]](#)

1243.3. When the heir actually starts owning a part of the inheritance, it is considered that he/she has accepted the inheritance completely, regardless of how the inheritance is expressed and where it is expressed.

~~1243.4. If one of the heirs refuses to accept the share of the inheritance in favor of the other heirs, such action is considered acceptance of the inheritance.~~ [\[809\]](#)

Article 1244. Acceptance of inheritance by an incapacitated person

An able-bodied person can accept the inheritance. Incapacitated and disabled persons can accept the inheritance through their legal representatives.

Article 1245. Acceptance of inheritance through a representative

The heir can accept the inheritance personally or through a representative.

~~Article 1246. Period of acceptance of inheritance~~ [\[810\]](#) [KMQ 27](#)

~~The heir may accept the inheritance within three months from the day he knew or should have known that he was called to inherit. Acceptance of the inheritance is not allowed after six months have passed from the day the inheritance was opened.~~ [\[811\]](#) [KMQ22](#)

Article 1247. Special period of acceptance of inheritance

If the right to inherit arises when the other heirs do not accept the inheritance, the inheritance can be accepted during the rest of the period determined for its acceptance, and if this period is less than six weeks, it must be extended to six weeks. [\[812\]](#)

Article 1248. Extension of the time for acceptance of inheritance

1248.1. The court may extend the time limit for accepting the inheritance if the reason for the extension is justified. After the expiration of the term, if all other heirs accepting the inheritance accept the inheritance, the inheritance can be accepted without going to court. [KMQ22](#)

1248.2. In the case provided for in Article 1248.1 of this Code, the heir who has delayed acceptance of the inheritance is given in kind from the remaining property received by other heirs from the property that became the property of the state; the amount of the value of the remaining property is also given to him.

An heir who does not wait for the arrival of other heirs and begins to own or manage the inheritance, except for the care of the testator in case of illness, his treatment and burial, maintenance of dependents of the testator, payment of wages, protection and management of the inheritance, day of the opening of the inheritance. cannot issue an inheritance order until six months have passed until a certificate of inheritance is received.

Article 1250. The right to received income until the lawsuit is filed

If the legal heir begins to take possession of the inheritance without knowing that there are closer legal heirs and the testamentary heir does not know that the will is invalid, or the legal and testamentary heirs do not know that there are closer legal heirs or another will, the income received from the inheritance remains with them until the lawsuit is filed; they can also claim all the capital they have inherited.

Article 1251. Consequences of disposal by an unauthorized person on individual inheritance [\[813\]](#)

If an unauthorized person has made an order on the thing included in the inheritance that is in relation to the real heir, he is obliged to give what he got as a result to the real heir.

Article 1252. Hereditary transmission [KMQ7](#)

If the heir dies after the opening of the inheritance, but before the acceptance of the inheritance, the right to receive a share of the inheritance passes to his heirs (inheritance transmission). The heir of the deceased heir must accept the inheritance during the time remaining until the end of its acceptance period. If this period is less than three months, it should be extended to three months.

Article 1253. Consequences of non-acceptance of inheritance by hereditary transmission

1253.1. Non-acceptance of the inheritance by hereditary transmission does not deprive the heir of the opportunity to receive the inheritance directly to the deceased heir.

1253.2. When the property is refused to be received by inheritance, the property is transferred to the persons who are called to accept the inheritance together with the deceased heir.

Article 1254. List of inheritance

The heir can request the listing of the inheritance. A two-month period is given for this, which period is included in the general period for accepting the inheritance.

Article 1255. Formation of inheritance property

The received inheritance is considered the property of the heir from the day of its opening.

The heir may refuse to accept the inheritance within three months from the day he knew or should have known that he was called to inherit. If there is a valid reason, the court can extend this period no more than two months. Refusal to accept the inheritance must be formalized in the notary office.

Article 1257. Inadmissibility of partial acceptance of inheritance

1257.1. Partial acceptance or partial rejection of the inheritance is not allowed under any circumstances or for any period.

1257.2. If the heir renounces a part of the inheritance or imposes any conditions, it is considered that he has renounced the inheritance.

Article 1258. Refusal of the heir to accept agricultural land

A non-agricultural heir may refuse to accept agricultural land, equipment, labor tools, and labor, but this is generally not considered a refusal to accept inheritance.

Article 1259. Acceptance of several shares from inheritance

If the heir receives several shares of the inheritance on different grounds, he can accept one and refuse the other, or refuse all shares.

Article 1260. Refusal of part of the inheritance

The heir can renounce the part of the inheritance that belongs to him by the right of consanguinity despite the rest of the inheritance.

Article 1261. Renunciation in favor of other persons

The heir may refuse to accept the inheritance in favor of persons other than the heirs by law or by will. Refusal of inheritance in favor of a person who is considered an unworthy heir or deprived of the right to inherit by the direct instructions of the will is not allowed. Other heirs may appeal to the court about such refusal.

Article 1262. Consolidation of the share in case of disinheritance

If the heir refused to accept the inheritance, but did not indicate in whose favor he refused, his share is added to the share of the heirs called to inherit by law, and in the case of the distribution of the entire property by will, to the share of the heirs according to the will, and is distributed among them in proportion to their shares, provided that the will does not provide a separate rule.

Article 1263. Renunciation of inheritance by the sole heir

Article 1264. Renunciation in favor of several heirs

If the heir refuses to accept the inheritance in favor of several persons, he can indicate the each of them. In the absence of such an instruction, its share shall be distributed equally among who have refused to accept the inheritance.

Article 1265. Renunciation of inheritance in favor of grandchildren

It is allowed to refuse the inheritance in favor of the grandchild if the parent who should be of the bequeather is not alive on the day the inheritance is opened, or the grandchild is the he the will.

Article 1266. Inadmissibility of the state's refusal to accept inheritance

The state cannot refuse to accept the past inheritance.

Article 1267. Inadmissibility of refusal after submitting the application to the notary autl

It is not allowed to refuse the inheritance after the heir has submitted an application to the authority of the place where the inheritance was opened to accept the inheritance or receive a c of inheritance.

Article 1268. Non-revocation of disinheritance

1268.1. The heir cannot withdraw the application that he refused to accept the inheritance.

1268.2. If the heir is an incapacitated person or a person with limited functional capacity, th of inheritance is allowed with the permission of the court.

Article 1269. Renunciation during actual possession of inheritance

The heir who has actually started to own or manage the inheritance may refuse the accep the inheritance within the time specified for the acceptance of the inheritance. He should app notary authority with an application about this.

Article 1270. Transfer of the right of refusal by inheritance

1270.1. The right of disinheritance is inherited.

1270.2. If the heir died before the expiration of the specified period for refusing to ac inheritance, this period does not expire until the end of the time remaining after the death of the

1270.3. Each of several heirs of a deceased heir can renounce only his share of the inheritanc

It is possible to refuse inheritance through a representative if the power of refusal is specifically provided for in the assignment (power of attorney).

Article 1272. Time period for opening a dispute regarding the acceptance or rejection of inheritance

The dispute regarding the acceptance or refusal of the inheritance can be opened within six months from the day when the interested person knows that there is a relevant reason for this.

Article 1273. The time of occurrence of the legal consequences of the acceptance or rejection of inheritance

The legal consequences of accepting or refusing to accept the inheritance occur from the day when the inheritance is opened.

~~Article 1273-1. Silence of the heir~~ ^[814] KMQ 27

~~Articles 1262 and 1263 of this Code shall be applied, respectively, if the heir does not accept or refuse the inheritance within the time limits established by this Code.~~ ^[815]

Chapter 71.

Distribution of inheritance

Article 1274. Concept of distribution of inheritance

Inheritance is distributed according to the agreement of the heirs who accepted it according to their share falling to each of them according to the law or will.

Article 1275. Determination of the order of inheritance distribution by the testator

In the will, the testator can determine the order of distribution of the inheritance, by entrusting the distribution of the inheritance to a third party. If the decision of a third party is manifestly unjust, it is not binding on the heirs. In this case, the division is made by the decision of the court.

Article 1276. Separation of inheritance in kind

Each heir may request the separation of his share of both movable and immovable property provided that such separation is possible or not prohibited by law.

[814]

It is in force

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~~When dividing the inheritance, the value of the property received as a gift from the be
within two years before the inheritance is opened is also included in the share of each heir.~~

Article 1278. Sale of inheritance by agreement of the co-heirs

It is allowed to sell the entire inheritance and distribute the money among the heirs according to their shares by agreement of the heirs.

Article 1279. Transfer of inheritance to an inheritance partner

It is possible to transfer the entire inheritance to one co-inheritance partner upon the agreement of all inheritance partners. In turn, he is obliged to provide appropriate compensation to other co-inheritance partners.

Article 1280. Termination of inheritance distribution

Inheritance partners can agree to suspend the distribution of inheritance for a certain period of time.

Article 1281. Shared ownership of indivisible property

Unless a separate rule has been established by the agreement of all the heirs accepting the inheritance, the property, the division of which would lead to the loss or weakening of the economic purpose, is not divided and becomes the common property of the heirs according to their shares.

Article 1282. Distribution of agricultural land among heirs

1282.1. If the owner of the agricultural land on which the farm is located left it to several heirs by will, or if there is no will and there are several heirs by law, the agricultural land together with the farm located there can be divided among the heirs, provided that as a result of the division, the heirs transferred to each of them should ensure the existence of a viable farm.

1282.2. The division is allowed only if the heirs themselves are prepared to deal with the farm. If none of the heirs wants to deal with the farm, the land can be sold along with the farm by agreement, and the heirs can receive their share in money.

Article 1283. Inadmissibility of distribution of agricultural land

If it is not possible to distribute agricultural land, the land should be given to the heir who owned the farm and managed the farm together with the bequeather, and in the absence of such an heir, to a person who has the ability and desire to manage the farm.

Article 1284. Share compensation

Article 1285. Transfer of agriculture by inheritance

1285.1 If the farm is a farm and the last member of the farm did not leave a will, the property of the farm passes to the heirs according to the law, provided that the farm does not fall

1285.2. In the event that the last member of the estate appoints several heirs by will, general rule related to land management should be applied.

Article 1286. Common ownership of agriculture

According to the agreement of the co-inheritors, the land and the farm located there can remain their common ownership.

Article 1287. The share of the deceased heir in the distribution of inheritance

1287.1. If the heir's estate has been sealed, but he has not yet been born, the distribution of inheritance is possible only after the birth of that heir.

1287.2. If a sealed but unborn heir is born alive, the remaining heirs can divide the inheritance by dividing the share that belongs to him. In order to protect the interests of the new representatives should be invited to participate in the division.

Article 1288. Assignment of debt claims to one of the heirs

According to the agreement of the co-inheritors, it is permissible to place the responsibility of the heirs on the full payment of all debt claims, and in exchange for this, he will be correspondingly increased share of the inheritance.

Article 1289. Obligation to ensure the purchase of shares

Each co-inheritance partner is obliged to ensure that other co-inheritance partners receive their respective shares. When a co-inheritance partner acquires the right of claim as a result of the distribution of inheritance, the co-inheritance partners must contribute to the debtor's solvency at the time of distribution, and if the performance period of such an obligation has not reached, at the time of the execution of the obligation according to their share.

Article 1290. Proportional reduction of share

If it turns out that the sum of the shares determined by the will is greater than the total inheritance, the share of each heir is reduced proportionally.

Article 1291. Consideration of disputes during the distribution of property [KMQ15](#)

property to be divided, the activities of each of the inheritance partners and other specific circumstances.

Article 1292. The right to dispose of shares

1292.1. Each co-inheritance partner can dispose of his/her share of the inheritance. The agreement on the disposition of one of the co-inheritance's shares must be certified by a notary public.

1292.2. A co-inheritance partner cannot dispose of individual items from his share.

1292.3. Other co-inheritances have the right to purchase when the co-inheritance disposes of a share. The right to purchase must be exercised within two months. This right is inherited.

Article 1293. Termination of the right of preference in purchase

After the share is transferred to the co-inheritance, the preemptive right to purchase is terminated.

Article 1294. Provision of creditors when the share is alienated

In case of alienation of the share, the duty to satisfy the creditor's demand is transferred to the acquirer of the share in accordance with the amount of that share.

~~Article 1295. Equalization of share~~ [\[817\]](#)

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~~In order to equalize their shares until the inheritance is divided between them, the heirs of the inheritance, unless the bequeather has specified a separate rule, must attribute to the inheritance they received from the bequeathor during his lifetime in the form of separation from the property of their parents.~~

~~Article 1296. Consequences of child failure~~ [\[818\]](#)

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~~If the child, who is obliged to equalize the share as an heir, dies before the inheritance is opened, after it is opened, the duty of equalizing the share is assigned to the heir who should receive his share.~~

Article 1297. Consideration of special contribution when equalizing inheritance share

A child (relative in the descending line) who has made a special contribution to the protected increase of the property of the testator by his work in the family farm, by participating in the professional and commercial activities of the testator, by his own considerable expenses, or in any other way, is considered an heir by law and is entitled to inherit with him during the distribution of the testator's property. He may request equalization with relatives.

Article 1298. Inadmissibility of demanding equalization of inheritance share

ritance share cannot be required.

Article 1299. Demand for equitable distribution

1299.1. The equalization of the share of the inheritance should be done fairly according to the services rendered and the size of the inheritance.

1299.2. During the division of property, the equalization amount of the inheritance deducted from the total amount of the inheritance and added to the share of the co-inheritance who has the right to claim equalization.

Article 1300. Duty to determine the location of the heir

If there are persons among the heirs whose whereabouts are unknown, the remaining heirs are obliged to take reasonable measures to determine their whereabouts and call for inheritance.

Article 1301. Consequences of non-appearance of the heir

1301.1. If the heir called to inherit, who is absent, but whose location has been determined, refuses the inheritance within three months, the other heirs must send him a notification about their intention to distribute the inheritance.

1301.2. If such an heir does not inform the other heirs about his desire to participate in the agreement on the division of property within three months after the notification, the other heirs may divide the property by mutual agreement and divide the share of the absent heir.

1301.3. If the location of the deceased heir is not determined within six months after the opening of the inheritance and no information is received from him about the refusal to accept the inheritance, the other heirs may distribute the property in the manner specified in Article 1301.2 of this Code.

Article 1302. Preferential right to inheritance

Heirs who have common ownership rights to the property together with the testator have a preferential right to inheritance of the property included in the common property.

Article 1303. Preferential right to buy a residential house

The heir who has lived with the bequeather for at least one year before the opening of the inheritance has the right of preference to receive the residential house, apartment or other living quarters as well as household items from the inheritance during the division of property.

Article 1304. Consideration of property interests of heirs

During the exercise of the right of preference, the property rights of other heirs participating in the division of inheritance should be considered. If the property is not enough to receive the share of the heir with the right of preference, the share of the other heirs should be increased proportionally.

Article 1305. Postponement of compensation

At the request of the heirs exercising the right of preference, the court may grant it a respite period of not more than ten years, taking into account the amount of compensation.

Chapter 72.

Security of creditors by heirs

Article 1306. Liability of heirs to creditors [KMQ 25](#)

1306.1. Heirs are obliged to fully pay the interests of creditors of the decedent in proportion to their share of each of them as joint debtors. [\[819\]](#)

1306.2. If the bequeather was jointly liable for past debts to the heirs, the heirs bear joint and several responsibility.

1306.3. *Removed.* [\[820\]](#)

Article 1307. Burden of proof during the provision of creditors by the heirs

Unless the inheritance is listed by a notary, the heir must prove that the debts of the bequeather do not exceed the inheritance.

Article 1308. Entrusting the payment of the debt to the heir

The testator can entrust the payment of all or part of the debt to one or more heirs.

Article 1309. Duty to inform creditors about opening of inheritance

Heirs, if the deceased's debts are known to them, are obliged to inform the testator's creditors of the opening of the inheritance.

Article 1310. Time limit for submitting creditors' claims - removed. [\[821\]](#)

Article 1311. Application of general claim periods - removed. [\[822\]](#)

Article 1312. Postponement of execution period

If the creditor submitted the claim before the deadline for execution, the heir can postpone execution until the deadline. When due, the creditor may request enforcement within the general period.

Article 1313. Preference of creditors of the testator

Creditors of the testator have priority over the creditors of the decedent during the pay claims.

Article 1314. Liability of the state to creditors

When property without heirs passes to the state, he is responsible for the debts of the bequean heir.

Article 1315. Consequences of receiving the inheritance by the creditor

If the testator bequeathed his property to the creditor, this cannot be considered as a substitute the creditor's claim.

Article 1316. Provision of creditors - removed. [\[823\]](#)

Chapter 73.

Heritage protection

Article 1317. Concept of heritage protection [\[824\]](#)

1317.1. Until the acceptance of the inheritance, the notarial body at the place where the inheritance was opened, if necessary, takes measures to protect the inheritance. The same rule applies even if the heir is unknown or whether or not he has accepted the inheritance.

1317.2. The notary authority can register the inheritance for the protection of the inheritance.

Article 1318. Searching for heirs [\[825\]](#)

The notary authority takes measures to search for heirs who are not present at the place where the inheritance was opened.

Article 1319. Appointment of property manager [\[826\]](#)

The notary authority may appoint a property manager to implement the measures provided in this chapter.

Article 1320. Expenses related to the measures provided for in this chapter [\[827\]](#)

Chapter 74.

Inheritance certificate

Article 1321. Concept of inheritance certificate

1321.1. Persons called to inherit can request a certificate of inheritance from the notary at the place where the inheritance was opened. [KMQ15](#)

1321.2. Obtaining the inheritance certificate is mandatory in the cases stipulated by the law.

1321.3. It is accepted that the person mentioned as an heir in the inheritance certificate has specified in that certificate. This is also valid for the benefit of the person who obtains from the person mentioned as an heir in the inheritance certificate any object belonging to his inheritance share, related to such an object or the exemption from any right included in the inheritance share, provided that the acquiring inheritance certificate he didn't know it wasn't right. [\[828\]](#)

Article 1322. Period of issuing the inheritance certificate

The inheritance certificate is issued to the heirs at any time after six months have passed from the day of the opening of the inheritance. If the notary authority has information that there are other heirs besides the persons requesting the certificate, the inheritance certificate is issued sooner than six months. [\[829\]](#)

Article 1323. Consent to sign the certificate

The heirs who did not accept the inheritance within the period specified by this Code must be registered in the inheritance certificate with the consent of all the heirs who accepted the inheritance. The consent must be expressed in writing before the inheritance certificate is issued.

Article 1324. Issuance of inheritance certificate to the heir of the heir

If the heir called to accept the inheritance dies after the inheritance has been opened without having had the opportunity to accept it within the specified period, his heirs may receive a certificate of inheritance for the property left after the death of the original bequeather.

Article 1325. Issuance of inheritance certificate to co-heirs

The inheritance certificate can be issued both for the whole inheritance and for a part of it. An inheritance certificate is issued both to all the heirs together and separately to each of them according to their wishes. Issuance of an inheritance certificate for a part of the inheritance to one of the heirs does not deprive the other heirs of the right to receive a certificate for the remaining part of the inheritance.

Laws that added and amended the Code:

1. By the Law of the Republic of Azerbaijan No. 886-IQ dated May 26, 2000 "On the Effective Dates of the Civil Code of the Republic of Azerbaijan, the Civil Procedure Code of the Republic of Azerbaijan, and the Criminal Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2000, No. 5, Article 323**)
2. Law of the Republic of Azerbaijan No. 48-IIQ of December 26, 2000 "On Conversion of the Financial Unit" (**Collection of legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835**)
3. Law of the Republic of Azerbaijan "On amendments and additions to some legislative acts of the Republic of Azerbaijan in connection with the implementation of the Law of the Republic of Azerbaijan "On State Procurement" dated December 6, 2002 (**Collection of legislation of the Republic of Azerbaijan, 2002, No. 12, article 709**)
4. Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 479-IIQD dated June 17, 2003 (**Legislative Collection of the Republic of Azerbaijan, 2003, No. 8, Article 420**)
5. Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 566-IIQD dated December 23, 2003 (**Legislative Collection of the Republic of Azerbaijan, 2004, No. 3, Article 123**)
6. Law of the Republic of Azerbaijan No. 639-IIQD dated April 20, 2004 "On Amendments to Some Legislative Acts of the Republic of Azerbaijan and Revocation of Some Legislative Acts" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 5, Article 3**)
7. Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 677-IIQD dated June 1, 2004 (**Legislative Collection of the Republic of Azerbaijan, 2004, No. 6, Article 415**)
8. Law of the Republic of Azerbaijan No. 731-IIQD dated September 7, 2004 "On changes in some legislative acts of the Republic of Azerbaijan and consideration of some legislative acts invalid" (**Legislative collection of the Republic of Azerbaijan, 2004 Article 761**)
9. Law of the Republic of Azerbaijan "On Additions and Amendments to the Tax Code of the Republic of Azerbaijan" No. 782-IIQD dated October 26, 2004 "On Amendments and Additions to Some Laws of the Republic of Azerbaijan" in connection with the implementation of the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2004 year, No. 11, Article 901**)
10. The Law of the Republic of Azerbaijan "On making additions and changes to some legislative acts of the Republic of Azerbaijan in connection with the implementation of the Law of the Republic of Azerbaijan "On Lotteries" No. 815-IIQD dated December 2, 2005 (**Collection of legislation of the Republic of Azerbaijan, 2005 No. 2 article 61**)

Law of the Republic of Azerbaijan "On Electronic Signature and Electronic Documents" No. 890-IIQD dated April 15, 2005 ([Legislative Collection of the Republic of Azerbaijan year, No. 6, Article 466](#))

12. Additions and amendments to some legislative acts of the Republic of Azerbaijan in connection with the implementation of the Law of the Republic of Azerbaijan "On Registration and State Register of Legal Entities" No. 925-IIQD dated June 10, 2005 and repeal of the Law of the Republic of Azerbaijan "On Limited Liability Enterprises for consideration" Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 684](#))
13. No. 948-IIQD dated June 24, 2005 "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and the related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Law of the Republic of Azerbaijan ([Collection of legislation of the Republic of Azerbaijan, 2005, No. 8, Article 692](#))
14. "On changes and additions to the Law of the Republic of Azerbaijan "On Insurance" No. 949-IIQD dated June 24, 2005 " Law of the Republic of Azerbaijan "On making changes and additions to some legislative acts of the Republic of Azerbaijan in connection with the application of the Law of the Republic of Azerbaijan" ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#))
15. Law of the Republic of Azerbaijan No. 995-IIQD dated September 20, 2005 ([Legislative Collection of the Republic of Azerbaijan, 2005, No. 11, Article 995](#))
16. Law of the Republic of Azerbaijan No. 1038-IIQD dated October 21, 2005 ("Azerbaijan newspaper, December 14, 2005, legislative collection of the Republic of Azerbaijan, No. 12, Article 1085)
17. Law of the Republic of Azerbaijan No. 39-IIIQD dated December 23, 2005([Legislative Collection of the Republic of Azerbaijan, 2006, No. 2, Article 68](#))
18. Law of the Republic of Azerbaijan " On Addition to the Civil Code of the Republic of Azerbaijan" No. 80-IIIQD dated March 3, 2006.([Collection of legislation of the Republic of Azerbaijan, 2006, No. 5, Article 387](#))
19. Law of the Republic of Azerbaijan No. 82-IIIQD dated March 3, 2006([Collection of legislation of the Republic of Azerbaijan, 2006, No. 3, Article 225](#))
20. Law of the Republic of Azerbaijan No. 100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#))
21. Law of the Republic of Azerbaijan No. 167-IIIQD of October 20, 2006, [Legislative Collection of the Republic of Azerbaijan, 2006, No. 12, Article 1005](#))
22. Law of the Republic of Azerbaijan No.234-IIIQ dated February 1, 2007([Legislative Collection of the Republic of Azerbaijan, 2007, No. 2, Article 80](#))

24. Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007(**Le Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**)
25. Law of the Republic of Azerbaijan No. 428-IIIQD dated October 9, 2007 (**Le Collection of the Republic of Azerbaijan, 2007, No. 10, Article 937**)
26. Law of the Republic of Azerbaijan No. 430-IIIQD dated October 9, 2007 (**Collection of the Republic of Azerbaijan, 2007, No. 11, Article 1053**)
27. Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007(**Le Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215**)
28. Law of the Republic of Azerbaijan No. 510-IIIQD dated December 7, 2007(**Le Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1219**)
29. Law of the Republic of Azerbaijan No. 520-IIIQD dated December 25, 2007(**Le Collection of the Republic of Azerbaijan, 2008, No. 3, Article 145**)
30. Law of the Republic of Azerbaijan No. 648-IIIQD dated June 13, 2008 (**Le Collection of the Republic of Azerbaijan, 2008, No. 7, Article 602**)
31. Law of the Republic of Azerbaijan No. 711-IIIQD dated October 28, 2008 ("**Aze newspaper, December 14, 2008, No. 279, legislative collection of the Republic of Azerbaijan, 2008, No. 12, Article 1049**)
32. Law of the Republic of Azerbaijan No. 742-IIIQD dated December 16, 2008 ("**Aze newspaper, February 18, 2009, No. 38, Legislative Collection of the Republic of Azerbaijan, 2009, No. 02, Article 47**)
33. Law of the Republic of Azerbaijan No. 782-IIIQD dated April 3, 2009 ("**Aze newspaper, May 20, 2009, No. 107, Legislative Collection of the Republic of Azerbaijan, 2009, No. 05, Article 295**)
34. Law of the Republic of Azerbaijan No. 821-IIIQD dated May 26, 2009 ("**Aze newspaper, July 1, 2009, No. 140, Legislative Collection of the Republic of Azerbaijan, 2009, No. 06, Article 404**)
35. Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan, July 9, 2009 ("**Respublika**" **newspaper, July 11, 2009, No. 149**)
36. Law of the Republic of Azerbaijan No. 856-IIIQD dated June 30, 2009 ("**Aze newspaper, July 24, 2009, No. 160**)
37. Law of the Republic of Azerbaijan No. **950-IIIQD** dated February 1, 2010 ("**Aze newspaper, February 24, 2010, No. 43, legislative collection of the Republic of Azerbaijan, 2010, No. 2, Article 75**)
38. Law of the Republic of Azerbaijan No. **951-IIIQD** dated February 1, 2010 ("**Aze newspaper, March 19, 2010 , No. 62, Legislative Collection of the Republic of Azerbaijan, 2010, No. 03, Article 171**)
39. Law of the Republic of Azerbaijan No. **952-IIIQD** dated February 12, 2010 ("**Aze**

40. Law of the Republic of Azerbaijan No. 960-IIIQD dated February 23, 2010 ("Aze newspaper, April 22, 2010, No. 85, [legislative collection of the Republic of Azerbaij No. 4, Article 266](#))
41. Law of the Republic of Azerbaijan No. 972-IIIQD dated March 5, 2010 ("Aze newspaper, April 17, 2010 , No. 81, Legislative Collection of the Republic of Azi 2010, No. 04, Article 276)
42. Law of the Republic of Azerbaijan No. 115-IVQD dated May 17, 2011 ("Aze newspaper, July 7, 2011 , No. 145, Legislative Collection of the Republic of Azi 2011, 1 07, Article 586)
43. Law of the Republic of Azerbaijan No. 159-IVQD dated June 10, 2011 ("Aze newspaper, August 10, 2011 , No. 174, Legislative Collection of the Republic of Azi 2011, No. 08, Article 750)
44. Law of the Republic of Azerbaijan No. 247-IVQD dated November 15, 2011 ("Resj newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2 289, Legislative Collection of the Republic of Azerbaijan , 2011, No. 12, Article 1102)
45. Law of the Republic of Azerbaijan No. 201-IVQD dated September 30, 2011 ("Resj newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper, December 29, 2 289, Legislative Collection of the Republic of Azerbaijan , 2011, No. 12, Article 1073)
46. Law of the Republic of Azerbaijan No. 287-IVQD dated December 30, 2011 ("Aze newspaper, January 21, 2012, No. 15, Legislative Collection of the Republic of Azi 2012, No. 01, Article 5)
47. Law of the Republic of Azerbaijan No. 321-IVQD dated April 6, 2012 ("Resj newspaper, May 9, No. 101, 2012, legislative collection of the Republic of Azerbaij. No. 05, Article 403)
48. Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("Resj newspaper, June 6, 2012, No. 123, "Azerbaijan" newspaper, June 7, 2012, No. 124, Az Republic Legislative Collection , 2012, No. 06, Article 498)
49. Law of the Republic of Azerbaijan No. 496-IVQD dated December 11, 2012 ("Resj newspaper, January 19, 2013, No. 12; "Azerbaijan" newspaper, January 23, 2013, Legislation of the Republic of Azerbaijan Collection, 2013, No. 01, Article 15)
50. Law of the Republic of Azerbaijan No. 672-IVQD dated May 31, 2013 ("Resj newspaper, June 29, 2013, No. 138; Legislative Collection of the Republic of Azi 2013, No. 06, Article 620)
51. Law of the Republic of Azerbaijan [No. 764-IVQD dated October 22, 2013](#). (" Resp newspaper, November 19, 2013, No. 253 ; Legislative Collection of the Rep Azerbaijan, 2013, No. 11, Article 1280)
52. Law of the Republic of Azerbaijan [No. 804-IVQD dated October 29, 2013](#). (" Resp newspaper. December 12. 2013. No. 273. Legislative Collection of the Rep

53. Law of the Republic of Azerbaijan [No. 819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478)
54. Law of the Republic of Azerbaijan [No. 879-IVQD dated December 27, 2013](#) ("Respublika" newspaper, February 5, 2014, No. 24, Legislative Collection of the Republic of Azerbaijan, 2014, No. 2, Article 96)
55. Law of the Republic of Azerbaijan [No. 990-IVQD dated June 20, 2014](#) ("Respublika" newspaper, July 13, 2014, No. 148; Legislative Collection of the Republic of Azerbaijan, 2014, No. 07, Article 768)
56. Law of the Republic of Azerbaijan [No. 1197-IVQD dated February 24, 2015](#) ("Respublika" newspaper, March 20, 2015, No. 063, No. 24, Legislative Collection of the Republic of Azerbaijan, 2015, No. 3, Article 254)
57. Law of the Republic of Azerbaijan [No. 1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512)
58. Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Aze" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814)
59. Law of the Republic of Azerbaijan [No. 1329-IVQD dated September 15, 2015](#) ("Respublika" newspaper, November 5, 2015, No. 243 , Legislative Collection of the Republic of Azerbaijan, 2015, No. 10, Article 1093)
60. Law of the Republic of Azerbaijan [No. 59-VQD dated December 18, 2015](#) ("Respublika" newspaper, January 19, 2016, No. 12 , Legislative Collection of the Republic of Azerbaijan, 2016, No. 01, Article 26)
61. Law of the Republic of Azerbaijan [No. 68-VQD dated December 18, 2015](#) ("Aze" newspaper, February 20, 2016, No. 39 ; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186)
62. Law of the Republic of Azerbaijan [No. 98-VQD dated December 29, 2015](#) ("Respublika" newspaper, February 18, 2016, No. 37 ; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 204)
63. Law of the Republic of Azerbaijan [No. 135-VQD dated March 4, 2016](#) (" Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401)
64. Law of the Republic of Azerbaijan [No. 186-VQD dated April 5, 2016](#) ("Aze" newspaper, April 24, 2016, No. 87, Legislative Collection of the Republic of Azerbaijan, 2016, No. 4, Article 640)
65. Law of the Republic of Azerbaijan [No. 192-VQD dated April 5, 2016](#) ("Aze" newspaper, April 30, 2016, No. 92 . Legislative Collection of the Republic of Azerbaijan, 2016, No. 4, Article 640)

66. Law of the Republic of Azerbaijan [No. 269-VQD dated May 31, 2016](#) (" Aze newspaper, June 30, 2016, No. 139 , Legislative Collection of the Republic of Azi 2016, No. 6, Article 1005)
67. Law of the Republic of Azerbaijan [No. 301-VQD dated June 24, 2016](#) (" Resp newspaper, July 21, 2016, No. 155 , Legislative Collection of the Republic of Azi 2016, No. 7, Article 1248)
68. Law of the Republic of Azerbaijan [No. 385-VQD dated November 11, 2016](#) (" Aze newspaper, December 30, 2016, No. 291 , Legislative Collection of the Rep Azerbaijan, 2016, No. 12, Article 1998)
69. Law of the Republic of Azerbaijan [No. 405-VQD dated November 11, 2016](#) (" Aze newspaper, December 16, 2016, No. 279 , Legislative Collection of the Rep Azerbaijan, 2016, No. 12, Article 2018)
70. Law of the Republic of Azerbaijan [No. 492-VQD dated December 30, 2016](#) ("Aze newspaper, February 7, 2017, No. 27, Legislative Collection of the Republic of Azi 2017, No. 02, Article 151)
71. Law of the Republic of Azerbaijan [No. 494-VQD dated December 30, 2016](#) ("Aze newspaper, February 7, 2017, No. 27, Legislative Collection of the Republic of Azi 2017, No. 02, Article 153)
72. Law of the Republic of Azerbaijan [No. 572-VQD dated April 7, 2017](#) ("Aze newspaper, April 14, 2017, No. 77 , Legislative Collection of the Republic of Azi 2017, No. 4, Article 524)
73. Law of the Republic of Azerbaijan [No. 576-VQD dated April 7, 2017](#) ("Aze newspaper, May 19, 2017, No. 106 , Legislative Collection of the Republic of Azi 2017, No. 5, Article 703)
74. Law of the Republic of Azerbaijan [No. 635-VQD dated April 27, 2017](#) ("Aze newspaper, May 21, 2017, No. 108 , Legislative Collection of the Republic of Azi 2017, No. 5, Article 735)
75. Law of the Republic of Azerbaijan [No. 638-VQD dated April 25, 2017](#) ("Aze newspaper, July 1, 2017, No. 138 , Legislative Collection of the Republic of Azi 2017, No. 6, Article 1035)
76. Law of the Republic of Azerbaijan [No. 797-VQD dated October 2, 2017](#) ("Aze newspaper, November 11, 2017, No. 248 , Legislative Collection of the Rep Azerbaijan, 2017, No. 11, Article 1953)
77. Law of the Republic of Azerbaijan [No. 842-VQD dated October 31, 2017](#) ("Aze newspaper, December 17, 2017, No. 279 , Legislative Collection of the Rep Azerbaijan, 2017, No. 12, Book I, Article 2210)
78. Law of the Republic of Azerbaijan [No. 871-VQD dated November 17, 2017](#) ("Aze newspaper. December 7. 2017. No. 270 . Legislative Collection of the Rep

79. Law of the Republic of Azerbaijan [No. 881-VQD dated November 17, 2017](#) ("Aze newspaper, December 6, 2017, No. 269 , Legislative Collection of the Rep Azerbaijan, 2017, No. 7, Book I, Article 2239)
80. Law of the Republic of Azerbaijan [No. 918-VQD dated December 15, 2017](#) ("Aze newspaper, February 9, 2018, No. 30 , Legislative Collection of the Republic of Azi 2018, No. 2, Article 142)
81. Law of the Republic of Azerbaijan [No. 1053-VQD dated April 3, 2018](#) ("Aze newspaper, May 6, 2018, No. 102 , Legislative Collection of the Republic of Azi 2018, No. 5, Article 845)
82. Law of the Republic of Azerbaijan [No. 1054-VQD dated April 3, 2018](#) ("Aze newspaper, April 25, 2018, No. 92 , Legislative Collection of the Republic of Azi 2018, No. 4, Article 650)
83. Law of the Republic of Azerbaijan [No. 1060-VQD dated April 3, 2018](#) ("Aze newspaper, May 6, 2018, No. 102 , Legislative Collection of the Republic of Azi 2018, No. 5, Article 851)
84. Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Aze newspaper, November 27, 2018, No. 267, Legislative Collection of the Rep Azerbaijan, 2018, No. 11, Article 2212)
85. Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Aze newspaper, December 8, 2018, No. 277, Legislative Collection of the Rep Azerbaijan, 2018, No. 12, Book I, Article 2467)
86. Law of the Republic of Azerbaijan [No. 1406-VQD dated December 28, 2018](#) ("Aze newspaper, January 31, 2019, No. 24 , Legislative Collection of the Republic of Azi 2019, No. 01, Article 23)
87. Law of the Republic of Azerbaijan [No. 1428-VQD dated December 28, 2018](#) ("Aze newspaper, December 30, 2018, No. 296 , Legislative Collection of the Rep Azerbaijan, 2018, No. 12, Book I, Article 2518)
88. Law of the Republic of Azerbaijan [No. 1438-VQD dated December 28, 2018](#) ("Aze newspaper, December 30, 2018, No. 296 , Legislative Collection of the Rep Azerbaijan, 2018, No. 12, Book I, Article 2526)
89. Law of the Republic of Azerbaijan [No. 1444-VQD dated December 28, 2018](#) ("Aze newspaper, February 9, 2019, No. 32, Legislative Collection of the Republic of Azi 2019, No. 01, Article 50)
90. Law of the Republic of Azerbaijan [No. 1449-VQD dated December 28, 2018](#) ("Aze newspaper, December 30, 2018, No. 296 , Legislative Collection of the Rep Azerbaijan, 2018, No. 12, Book I, Article 2533)
91. Law of the Republic of Azerbaijan [No. 1566-VQD dated April 23, 2019](#) ("Aze newspaper. May 11. 2019. No. 102. Legislative Collection of the Republic of Azi

92. Law of the Republic of Azerbaijan [No. 1575-VQD dated May 3, 2019](#) ("Aze newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azi 2019, No. 5, Article 812)
93. Law of the Republic of Azerbaijan [No. 1584-VQD dated May 3, 2019](#) ("Aze newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azi 2019, No. 5, Article 814)
94. Law of the Republic of Azerbaijan [No. 1588-VQD dated May 17, 2019](#) ("Aze newspaper, June 5, 2019, No. 122 , Legislative Collection of the Republic of Azi 2019, No. 6, Article 994)
95. Law of the Republic of Azerbaijan [No. 1593-VQD dated May 17, 2019](#) ("Aze newspaper, June 5, 2019, No. 122 , Legislative Collection of the Republic of Azi 2019, No. 6, Article 996)
96. Law of the Republic of Azerbaijan [No. 1637-VQD dated July 9, 2019](#) ("Aze newspaper, August 27, 2019, No. 186 , Legislative Collection of the Republic of Azi 2019, No. 8, Article 1369)
97. Law of the Republic of Azerbaijan [No. 1640-VQD dated July 9, 2019](#) ("Aze newspaper, July 24, 2019, No. 159 , Legislative Collection of the Republic of Azi 2019, No. 7, Article 1202)
98. Law of the Republic of Azerbaijan [No. 1672-VQD dated October 8, 2019](#) ("Aze newspaper, November 17, 2019, No. 255, Legislative Collection of the Rep Azerbaijan, 2019, No. 11, Article 1681)
99. Law of the Republic of Azerbaijan [No. 1722-VQD dated December 3, 2019](#) ("Aze newspaper, December 27, 2019, No. 289 , Legislative Collection of the Rep Azerbaijan, 2019, No. 12, Article 1908)
100. Law of the Republic of Azerbaijan [No. 62-VIQD dated April 24, 2020](#) ("Aze newspaper, May 9, 2020, No. 91, Legislative Collection of the Republic of Azerbaij. No. 5, Article 515)
101. Law of the Republic of Azerbaijan [No. 97-VIQD dated May 8, 2020](#) ("Aze newspaper, July 4, 2020, No. 127, Legislative Collection of the Republic of Azerbaij No. 7, Article 822)
102. Law of the Republic of Azerbaijan [No. 114-VIQD dated May 19, 2020](#) ("Aze newspaper, July 15, 2020, No. 136 , Legislative Collection of the Republic of Azi 2020, No. 7, Article 832)
103. Law of the Republic of Azerbaijan [No. 123-VIQD dated May 31, 2020](#) ("Aze newspaper, July 19, 2020, No. 140 , Legislative Collection of the Republic of Azi 2020, No. 7, Article 839)
104. Law of the Republic of Azerbaijan [No. 130-VIQD dated June 12, 2020](#) ("Aze newspaper. Julv 21. 2020. No. 141 . Legislative Collection of the Republic of Azi

105. Law of the Republic of Azerbaijan [No. 198-VIQD dated November 20, 2020](#) ("Aze newspaper, December 26, 2020, No. 273 , Legislative Collection of the Rep Azerbaijan, 2020, No. 12, Book I, Article 1423)
106. Law of the Republic of Azerbaijan [No. 214-VIQD dated December 18, 2020](#) ("Aze newspaper, December 30, 2020, No. 276 , Legislative Collection of the Rep Azerbaijan, 2020, No. 12, Book I, Article 1435)
107. Law of the Republic of Azerbaijan [No. 230-VIQD dated December 22, 2020](#) ("Aze newspaper, January 8, 2021, No. 3 , Legislative Collection of the Republic of Azi 2021, No. 1, Article 8)
108. Law of the Republic of Azerbaijan [No. 277-VIQD dated February 23, 2021](#) ("Aze newspaper, April 3, 2021, No. 67 , Legislative Collection of the Republic of Azi 2021, No. 4, Article 307)
109. Law of the Republic of Azerbaijan No. [327- VIQD dated May 25, 2021](#) ("Aze newspaper, June 22, 2021 , No. 128 , Legislative Collection of the Republic of Azi 2021, No. 6, Book I, Article 556)
110. Law of the Republic of Azerbaijan [No. 329-VIQD dated May 27, 2021](#) ("Aze newspaper, June 24, 2021 , No. 130 , Legislative Collection of the Republic of Azi 2021, No. 6, Book I, Article 558)
111. Law of the Republic of Azerbaijan [No. 348-VIQD dated June 22, 2021](#) ("Aze newspaper, August 21, 2021 , No. 175 , Legislative Collection of the Republic of Azi 2021, No. 8, Article 894) (2022 enters into force on July 1, 2018)
112. Law of the Republic of Azerbaijan [No. 360-VIQD dated July 9, 2021](#) ("Aze newspaper, July 25, 2021 , No. 152 , Legislative Collection of the Republic of Azi 2021, No. 7, Article 711)
113. Law of the Republic of Azerbaijan [No. 393-VIQD dated October 29, 2021](#) ("Aze newspaper, November 26, 2021 , No. 256 , Legislative Collection of the Rep Azerbaijan, 2021, No. 11, Article 1206)
114. Law of the Republic of Azerbaijan [No. 452-VIQD dated December 27, 2021](#) ("Aze newspaper, December 31, 2021 , No. 286 , Legislative Collection of the Rep Azerbaijan, 2021, No. 12, Article 133 5)
115. Law of the Republic of Azerbaijan [No. 525-VIQD dated May 5, 2022](#) ("Aze newspaper, June 14, 2022 , No. 124 , Legislative Collection of the Republic of Azi 2022, No. 6, Article 580)
116. Law of the Republic of Azerbaijan [No. 586-VIQD dated July 8, 2022](#) (official w the Azerbaijan State Information Agency (AZERTAC), "Azerbaijan" newspaper, A 2022, August 6, 2022 , No. 165 , Legislative Collection of the Republic of Azerbaij No. 8, Article 833)
117. Law of the Republic of Azerbaiian [No. 572-VIOD dated June 29, 2022](#) (official w

118. [No. 581-VIQD dated July 8, 2022](#) Law of the Republic of Azerbaijan (official website of the Azerbaijan State Information Agency (AZERTAC), August 19, 2022, "Azerbaijan" newspaper, August 20, 2022 , No. 177 , Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, Article 828)
119. Law of the Republic of Azerbaijan [No. 651-VIQD dated November 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 11, 2023, "Azerbaijan" newspaper January 15, 2023 , No. 9 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 7)
120. Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023 , no. 14 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22)
121. Law of the Republic of Azerbaijan [No. 807-VIQD dated February 17, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), April 8, 2023, "Azerbaijan" newspaper, April 9, 2023 , no. 73 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445)
122. Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023 , no. 66 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333)
123. Law of the Republic of Azerbaijan [No. 867-VIQD dated May 2, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , June 3, 2023 , "Azerbaijan" newspaper, June 4, 2023 , no. 117 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 6 , Article 742)
124. Law of the Republic of Azerbaijan [No. 880-VIQD dated May 30, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , July 12 , 2023 , "Azerbaijan" newspaper, July 13, 2023 , no. 144 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 7, Article 81)
125. Law of the Republic of Azerbaijan [No. 915-VIQD dated June 13, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , July 17, 2023 , "Azerbaijan" newspaper, July 18, 2023 , no. 148 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 7, Article 900)
126. Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , no. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)
127. Law of the Republic of Azerbaijan [No. 1034-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 27, 2023, "Azerbaijan" newspaper, December 28, 2023 , no. 285 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 10, Article 1094)

128. Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 21, 2023, "Azerbaijan" newspaper, December 26, 2023 , no. 283 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1 621)
129. Law of the Republic of Azerbaijan [No. 1080-VIQD dated December 26, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , February 1, 2024, "Azerbaijan" newspaper, February 2, 2024 , no. 22)
130. Law of the Republic of Azerbaijan [No. 1108-VIQD dated March 5, 2024](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , April 29, 2024 , "Azerbaijan" newspaper, April 30, 2024 , no. 87)
131. Law of the Republic of Azerbaijan dated April 19, 2024 (official website of the Azerbaijan State Information Agency (AZERTAC) , May 1, 2024 , " Azerbaijan " newspaper, May 1, 2024 , No. 89)

[Decisions of the Constitutional Court](#)

[KMQ1](#) According to the decision of the Constitutional Court of the Republic of Azerbaijan dated December 27, 2001, disputes related to legal relations arising from the use of a residential house (apartment) after September 1, 2001, in accordance with the rules of Articles 228.1 and 228.2 of the Civil Code of the Republic of Azerbaijan, disputes related to legal relations that have arisen up to date should be resolved in accordance with the rules of Article 123 of the Housing Code.

[KMQ2](#) According to the decision of the Constitutional Court of the Republic of Azerbaijan dated December 27, 2001, the claim periods specified in Article 373 of the Civil Code of the Republic of Azerbaijan are applied to claims arising from legal relations that arose after September 1, 2000. Taking into account the provisions of Article 7 of the Civil Code, these claim periods can also be applied to claims arising from legal relationships that have been formed before. ("Azerbaijan" newspaper, December 29, 2001, No. 298, **Information of the Constitutional Court of the Republic of Azerbaijan No. 2/2002**)

[KMQ3](#) According to the decision of the Constitutional Court of the Republic of Azerbaijan dated January 28, 2002, the legal force of Article 179 of the Civil Code of the Republic of Azerbaijan determines the period of acquisition of ownership rights to immovable property, should be applied to the legal relations created after September 1, 2000. ("Azerbaijan" newspaper, January 31, 2002, **Information of the Constitutional Court of the Republic of Azerbaijan No. 2/2002**)

[KMQ4](#) According to the decision of the Constitutional Court of the Republic of Azerbaijan dated January 31, 2002, the provisions of Article 21 of the Civil Code of the Republic of Azerbaijan envisage the payment of only real damage, as well as lost profits. The damage stipulated in Article 23 of the Civil Code of the Republic of Azerbaijan should be applied to the legal relations created after September 1, 2000.

payment of moral damage, as well as the application of other restrictions provided by legislation, in accordance with other basic rights and freedoms protected by the Constitution of the Republic of Azerbaijan, depends on the judgment of the court in each specific case. ("Azerbaijan" newspaper, June 2, 2002, No. 124, Information of the Constitutional Court of the Republic of Azerbaijan No. 3/2002)

[KMQ5](#) According to the decision of the Constitutional Court of the Republic of Azerbaijan dated December 27, 2002, Article 440.4 of the Civil Code of the Republic of Azerbaijan was deemed unconstitutional because it did not comply with Articles 12, 13, 29, 60 and 71 of the Constitution of the Republic of Azerbaijan. ("Azerbaijan" newspaper, December 29, No. 300, 2002, Information of the Constitutional Court of the Republic of Azerbaijan 1/2003)

[KMQ6](#) Article 746 of the Civil Code of the Republic of Azerbaijan also applies to consumer credit in accordance with the requirements of that article and the description-justifying part of this Decision. A bank (lender) may refuse to grant a loan if the borrower's property situation deteriorates to the extent of endangering the repayment of the debt. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated May 27, 2019**)

[KMQ7](#) 1. In accordance with Articles 1134, 1145 and 1146 of the Civil Code of the Republic of Azerbaijan, the inheritance is opened upon the death of a natural person or the declaration of death by the court on the day when the court decision on the death or declaration of death of a natural person enters into force, and the person who was alive at the time of the death of the bequeather inherits the inheritance.

2. For the application of hereditary transmission in relation to persons who die on the same day, if they have the right to inherit one after the other, the exact moment of death of the bequeather is determined, and the person who dies later is considered the heir of the person who died before him. If it is not possible to determine this moment, persons who died on the same day are considered to have died at the same time in terms of legal succession, and inheritance is opened for each of them separately. In such cases, the application of hereditary transmission is excluded. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated February 24, 2020 - "Respublika" newspaper, March 1, 2020, No. 49**)

[KMQ8](#) 1. Article 23 of the Civil Code of the Republic of Azerbaijan includes the right to compensation for the moral shock and suffering experienced by his relatives, including family members, if a person dies as a result of illegal actions or his health is damaged.

2. Relatives of the person who died or whose health was harmed, including family members, depending on the degree of emotional shock and suffering, the degree of closeness to the victim, etc. are entitled to compensation jointly or separately according to the factors.

3. In the event that one of the relatives of the person who died or whose health was damaged, including family members, received compensation for moral damage, the compensation request of the other relatives can be resolved by the court hearing the case in accordance with the criteria of proportionality and equity specified in the descriptive-justifying part of this Decision.

unt. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan, April 24, 2020 - "Respublika" newspaper, May 21, 2020, No. 99**)

[KMQ9](#) Article 407.2 of the Civil Code of the Republic of Azerbaijan "a simple written contract deemed to be concluded from the moment it is properly signed" implies signing using another analogue of the signature.

The terms of contracts concluded using a facsimile of a signature, an electronic signature or analogue of a personal signature with the help of mechanical or other means of copying should be clear, honest and understandable as possible. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated August 12, 2020 - "Respublika" newspaper, August 25, 2020, No. 88**)

[KMQ10](#) In accordance with Article 60 of the Constitution of the Republic of Azerbaijan, Articles 1306.1 and 1306.2 of the Civil Code of the Republic of Azerbaijan, Articles 306.4 and 307.2.9 of the Civil Procedure Code of the Republic of Azerbaijan, if the heirs do not receive a certificate of inheritance, the execution of the obligations of the creditors of the testator is ensured at the expense of the inheritance property. This does not limit the right to file a claim in court, and such demands of creditors should be considered in the order of claim proceedings. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated October 16, 2020**)

[KMQ11](#) 1. In accordance with the requirements of Articles 747.1, 747-1.3 and 747-2 of the Civil Code of the Republic of Azerbaijan and the definition given to fixed assets in Articles 13.2.17 and 114 of the Civil Code of the Republic of Azerbaijan, the lease agreement of the residential area, including the apartment, as the main asset having an object and giving the leasing object to a legal or physical person who is engaged in entrepreneurial activity is not excluded.

2. According to the requirements of Articles 747.1 and 747-2 of the Civil Code of the Republic of Azerbaijan, as well as the legal positions of the descriptive-substantiating part of this Decision, the object of the leasing agreement is not money, but certain property, unlike the loan agreement it is impossible to mask the leasing agreement with a loan agreement. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated December 28, 2020 - "Respublika" newspaper, January 23, 2021, No. 15**)

[KMQ12](#) 1. In accordance with the requirements of Articles 1159.1.1 and 1193 of the Civil Code of the Republic of Azerbaijan, the first line of heirs (the testator's children, parents and wife (husband) and those who have the right to a compulsory share regardless of the existence of a will.

2. According to the content of Articles 667.1 and 1200 of the Civil Code of the Republic of Azerbaijan, first-line heirs (heirs with the right to a compulsory share) have the right to demand completion of the compulsory share even if there is no will. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated January 8, 2021 - "Respublika" newspaper, February 5, 2021, No. 16**)

[KMQ13](#) 1. Article 1193 of the Civil Code of the Republic of Azerbaijan refers to Parts I, III, IV of Article 25, Part II of Article 26, Parts I and VII of Article 29, Parts I and II of Article 71 of the Civil Code of the Republic of Azerbaijan to be considered in accordance with parts I and III of Article 149

Azerbaijan, which provides for the concept of compulsory share in inheritance, the provision "children, parents of the testator" includes adopted children and adopted children. . (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated February 19 "Respublika" newspaper, March 2, 2021, No. 47**)

KMQ14 1. In accordance with Article 337.2 of the Civil Code of the Republic of Azerbaijan, the issue of disputed contracts is determined by the notification of the will to the other party regarding the dispute of the contract. If there is a dispute about the invalidity of the contract, the parties can appeal to the court.

2. According to Article 337.3 of the Civil Code of the Republic of Azerbaijan, an insignificant contract that does not have the ability to create the desired legal result from the moment of conclusion. If there is a dispute about the irrelevance of the contract, a lawsuit can be filed in court to confirm the irrelevance.

3. In accordance with Article 346.1 of the Civil Code of the Republic of Azerbaijan, a contract concluded by a natural person in a situation where he did not understand the meaning of his actions or was unable to direct them at the time of the conclusion of the contract, his rights or interests protected by law are violated as a result of the conclusion of the contract. If it is proven unreasonable based on the interests of other persons, it is invalid from the moment of its conclusion.

4. The one-year period determined by Article 354.1 of the Civil Code of the Republic of Azerbaijan is applied to requests for the return of those executed in connection with cases of unjustified enrichment arising from an insignificant transaction.

5. In accordance with the legal positions reflected in the descriptive-justifying part of this Decision, the period of restitution specified in Article 337.5 of the Civil Code of the Republic of Azerbaijan and the period specified in Article 354.1 are applied in cases where separate consequences of invalidity of contracts are not provided for in that Code.

6. The periods specified in Article 354.2 of the Civil Code of the Republic of Azerbaijan are the periods provided for exercising the right to dispute the contract in cases of damage to the expression of will.

7. In accordance with Article 337 of the Civil Code of the Republic of Azerbaijan, courts should take into account if the invalidity of contracts (except for disputed contracts) is discovered, regardless of whether the parties make a request for this when considering disputes related to contracts. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated April 2 "Respublika" newspaper May 27, 2021, No. 108**)

KMQ15 1. According to the meaning of Articles 1291 of the Civil Code of the Republic of Azerbaijan and Article 24.1 of the Civil Procedure Code of the Republic of Azerbaijan, the authority to resolve disputes related to the determination of the circle of heirs and inheritance shares belongs to the courts, as it is beyond the legal designation and function of notary bodies according to the notary legislation.

2. In accordance with the requirements of Articles 1321.1 and 1325 of the Civil Code of the Republic of Azerbaijan, notary authorities should perform their duties established in the legislation regarding the issuance of the inheritance certificate, and at this time should try to prevent the emergence of disputes and achieve mutual agreement between the heirs without a formal approach to the issue.

portion of the inheritance share. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated July 26, 2021 - "Respublika" newspaper, August 10, 2021, No. 165**)

KMQ16 1. In accordance with Article 58 of the Constitution of the Republic of Azerbaijan, Article 4.1.1 and 112.1 of the Civil Code of the Republic of Azerbaijan, everyone has the right to join a cooperative based on the principle of voluntariness and in accordance with the law.

2. Provisions of Article 109-1.1 of the Civil Code of the Republic of Azerbaijan "a cooperative established by not less than five natural and (or) legal entities" and Article 110.1 of the Housing Code of the Republic of Azerbaijan "the number of members of a housing-construction cooperative cannot be less than five" is a general requirement for the establishment and operation of a cooperative according to its organizational and legal form. A legal entity with less than five members cannot be established and continue its activity in the form of a housing-construction cooperative.

3. In accordance with Article 111.3.3 of the Civil Code of the Republic of Azerbaijan, admission and expelling members of the cooperative belongs to the exclusive authority of the general meeting of members of the cooperative. This authority includes the voluntary withdrawal of a cooperative member from the cooperative.

4. When the goal set during the establishment of the cooperative is achieved, according to the requirements of Article 109.5 of the Housing Code of the Republic of Azerbaijan, a decision is made to liquidate the cooperative in the manner established by law or to transform it into a joint stock company of apartment owners, and necessary measures are taken in accordance with the legislation on the registration of legal entities. must be seen. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated December 21, 2021 - "Respublika" newspaper, January 29, 2022, No. 16**)

KMQ17 1. According to Article 376 of the Civil Code of the Republic of Azerbaijan, as a result of the application of Article 375.2 of that Code, if the claim period for the main claim has passed, the claim period for additional claims is also considered to have passed.

2. In accordance with Article 269 of the Civil Code of the Republic of Azerbaijan, since the mortgage is a limited property right of the mortgagor over the object, the expiration of the claim period for the main claim does not lead to the termination of the mortgage and the release of the subject of the mortgage from encumbrance. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated February 11, 2022 - "Respublika" newspaper, March 5, 2022, No. 50**)

KMQ18 According to the meaning of Article 340.2 of the Civil Code of the Republic of Azerbaijan, contracts concluded for the purpose of concealing the actual relations arising as a result of the actions of the parties, including formally concluded contracts between different subjects, are irrelevant and do not have legal force.

The statements of the true will of the subjects involved in the conclusion of the false contract shall be investigated and a legal conclusion reached in accordance with the legal positions reflected in the descriptive-justifying part of this Decision. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated March 15, 2022 - "Respublika" newspaper, April 15, 2022, No. 77**)

KMQ19 1. In connection with the performance of labor (service) duties under a labor or service contract,

of the employee, according to Article 1114 of the Civil Code of the Republic of Azerbaijan, the employer who paid for the damage has the right to claim recourse against him.

2. According to Article 1108 of the Civil Code of the Republic of Azerbaijan, the natural or legal person who owns the high danger source with the right of ownership or other legal basis bears the civil liability for the damage caused as a result of the activity of the high danger source (vehicle, mechanism).

Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated April 11, 2022 - "Respublika" newspaper May 11, 2022, No. 97)

KMQ20 1. In accordance with the principle of inviolability of property rights, Article 312.4 of the Civil Code of the Republic of Azerbaijan prohibits the agreement that the mortgagor waives his rights over the property when concluding a mortgage agreement between the parties.

2. Articles 30.1 and 31.1 of the Law of the Republic of Azerbaijan "On Mortgages" in terms of protecting the property interests of the mortgagee under the mortgage contract and preventing the threat to arise in the fulfillment of the main obligation determine the invalidity of the agreement on disposition of the subject of mortgage without the written consent of the mortgagee.

The mortgagor's decision to refuse to give consent for the alienation of the subject of the mortgage is justified and the reasons for the refusal must be indicated. The mortgagee, in turn, can dispute the decision in court. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated July 1, 2022 - "Respublika" newspaper, July 21, 2022, No. 151)**

KMQ21 According to the meaning of Article 1159 of the Civil Code of the Republic of Azerbaijan, persons who are included in the order of succession determined by law and are related to the testator can act as heirs. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan, September 17, 2022, "Respublika" newspaper, September 17, 2022, No. 201**)

KMQ22 1. The six-month period specified in Article 1246 of the Civil Code of the Republic of Azerbaijan is the period provided for the notarial formalization of the acceptance of inheritance. After the expiration of that period, the issue of acceptance of inheritance can be resolved in a court of law in accordance with Article 1248.1 of the Civil Code of the Republic of Azerbaijan and the legal positions reflected in the descriptive-justifying part of this Decision.

2. In accordance with Article 1268.2 of the Civil Code of the Republic of Azerbaijan, the period of limitation provided for in Article 1256 of that Code shall apply to the appeal to the court regarding the return of the inherited property by the heir who is incapable of functioning or with limited functioning. (**Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated October 11, 2022 - official website of the Constitutional Court of the Republic of Azerbaijan, November 4, 2022, "Respublika" newspaper, November 4, 2022, No. 242**)

KMQ23 1. The periods determined by the 5th paragraph of Chapter 27 of the Civil Code of the Republic of Azerbaijan are the claim periods in terms of their legal nature.

2. Until paragraph 5 of Chapter 27 of the Civil Code of the Republic of Azerbaijan is improved by the legislative body, the claim periods stipulated by Chapter 18 of that Code should be applied in relation to the claims.

stitutional Court of the Republic of Azerbaijan, February 22, 2023 , "Respublika" new February 22, 2023 , No. 40)

KMQ24 1. Cancellation of the contract on the grounds provided for in Article 421.2 of the Civil the Republic of Azerbaijan takes place out of court with a unilateral expression of will in ac with Article 421.3 of that Code. The contract is considered to be canceled by the notification of th the other party, and this is the general form of cancellation.

2. According to Article 422 of the Civil Code of the Republic of Azerbaijan, in case of a significan in circumstances, in accordance with Articles 423.2 and 424.3 of that Code, the party may app court with a request to change or cancel the contract. This is a special procedure for the cancel the contract, which is connected with the entry into force of the court decision.

3. In case of violation of the obligation under bilateral contracts, the creditor may terminate the by rejecting it in accordance with Article 447.1 of the Civil Code of the Republic of Azerbai contract is considered to have been terminated by notifying the other party of the intention to w from the contract.

4. In terms of the requirements of Article 399.3 of the Civil Code of the Republic of Azerba demand for delayed annuity (principal amount and accrued interest) payments before the termi the contract remains valid even after the termination of the contract.

5. In accordance with Article 445.7 of the Civil Code of the Republic of Azerbaijan, if the cr unable to demand a larger amount based on other grounds in case of breach of obligation, he right to demand the payment of funds in the amount of five percent per annum for the delaye

Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated M 2023 - official website of the Constitutional Court of the Republic of Azerbaijan, April 1 "Respublika" newspaper, April 15, 2023 , No. 78)

KMQ 25 1. In accordance with Article 1306 of the Civil Code of the Republic of Azerbaijan, the h accepted the inheritance after the death of the debtor are jointly responsible to the creditor bequeather in the amount of the share of the inheritance that has reached them since the inheritance was opened.

2. In accordance with Articles 269, 317.1, 319.1 of the Civil Code of the Republic of Azerbaijan an the Law of the Republic of Azerbaijan "On Mortgages", if the debtor under the main ob including the heirs in the event of the death of the main debtor, does not fulfill the obligation or fulfill it properly (when the main obligation is violated) the creditor can file a claim for dire seizure to the subject of the mortgage. (**Decision of the Plenum of the Constitutional Cou Republic of Azerbaijan dated April 19, 2023 - "R espublika" newspaper, May 24, 2023 , No. 108**

KMQ 26 1. In accordance with part 3 of Article 2 and Article 199 of the Labor Code of the Rej Azerbaijan, as well as the requirement of Article 2.3 of the Civil Code of the Republic of Azer civil legal agreement on the damage caused by the employee to the employer, including an agreement on acknowledgment of debt closing is excluded.

2. According to Article 194 of the Labor Code of the Republic of Azerbaijan, since the terminati employment relationship after the damage has been caused does not exempt the guilty pa

Constitutional Court of the Republic of Azerbaijan dated July 17, 2023 - "Respublika" newspaper, July 25, 2023, No. 154)

KMQ 27 1. Articles 1246 and 1273-1 of the Civil Code of the Republic of Azerbaijan, which determine special acceptance condition and period for the right of inheritance, are related to the constitutional principle of proportionality and the guarantee of the right to inheritance established in Part VII of Article 29 of the Constitution of the Republic of Azerbaijan, and the description-justification of this should be considered invalid as it does not comply with the legal positions reflected in the

2. It should be recommended to the Milli Majlis of the Republic of Azerbaijan to improve the regulations arising from the requirements of the institution of inheritance of the Civil Code of the Republic of Azerbaijan, taking into account the legal positions reflected in the descriptive-justification of this Decision.

3. In terms of ensuring the stability of the civil circulation, this Decision should be applied to the succession relations that will arise after its entry into force and to the cases of disputes that are pending in the courts. (Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated December 26, 2023 - "Respublika" newspaper, December 28, 2023, No. 285)

KMQ 28 1. In terms of the requirements of Part I of Article 17 of the Constitution of the Republic of Azerbaijan, the provision "duties imposed on the recipient of a gift in accordance with family relations" provided for in Article 673.1.2 of the Civil Code of the Republic of Azerbaijan: the list of property and personal property in the cases and to the extent determined by the family legislation includes duties arising from non-property relations.

2. Since the provision of "gross violation" reflected in the provision of Article 673.1.2 of the Civil Code of the Republic of Azerbaijan requires evaluation, when the issue of refusal to forgive is resolved in the courts, depending on the circumstances of the case, what exactly constitutes the violation of the obligations imposed on the gift recipient in accordance with the family legal relations should be determined as

3. Regardless of when the donation contract was concluded, the gift giver's right to refuse donation is terminated after the one-year period specified in Article 673.3 of the Civil Code of the Republic of Azerbaijan from the day the gift giver becomes aware of the grounds for refusal to donate. (Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated April 26, 2024 - "Respublika" newspaper, May 2, 2024, No. 89)

LIST OF AMENDMENTS AND ADDITIONS TO THE CODE

[\[1\]](#) Law of the Republic of Azerbaijan No. 779-IQ dated December 28, 1999 "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" (**Legislative collection of the Republic of Azerbaijan, 2000, No. 4, Article 250**) was approved by.

By the Law of the Republic of Azerbaijan No. 886-IQ dated May 26, 2000 "On Changing the Effective Dates of the Civil Code of the Republic of Azerbaijan, the Code of Civil Procedure of the Republic of Azerbaijan, and the Criminal Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2000, No. 5, Article 323**) The Code entered into force on September 1, 2000.

According to the Law of the Republic of Azerbaijan No. 972-IIIQD dated March 5, 2010 ("**Azerbaijan**" newspaper, April 17, 2010, No. 81, **Legislative Collection of the Republic of Azerbaijan, 2010, No. 04, Article 276**) in cases where the words "**National Bank**" are replaced by the words "**Central Bank**" in the relevant cases of the name.

[\[2\]](#) To the Law of the Republic of Azerbaijan No. 167-IIIQD of October 20, 2006, the **Legislative Collection of the Republic of Azerbaijan, 2006, No. 12, Article 1005**) and the fourth paragraph of Article 1.2, the words "**life**" and "**word**" and "**family life**", replaced with the words

[\[3\]](#) With the Law of the Republic of Azerbaijan [No.1406-VQD dated December 28, 2018](#) ("**Azerbaijan**" newspaper, January 31, 2019, No. 24, **Legislative Collection of the Republic of Azerbaijan, 2019, No. 01, Article 23**) Article 2.5-1 has been added in the new

[\[4\]](#) To the Law of the Republic of Azerbaijan No. 167-IIIQD of October 20, 2006, the **Legislative Collection of the Republic of Azerbaijan, 2006, No. 12, Article 1005**) and in Article 6.1.6, the words "**personal life**" and "**personal and family life**" replaced with the words

[\[5\]](#) June 24, 2005 No. 949-IIQD "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 11.3 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

In its previous edition, it was said:

~~11.3. It is not allowed to apply the norms of civil legislation limiting civil rights or determining liability by analogy.~~

[\[6\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words "**at one's own risk**" from Article 13.

In its previous edition, it was said:

~~Article 13. Entrepreneurial activity~~

~~Entrepreneurial activity is an activity carried out independently by a person at his own risk, the main purpose of which is to make a profit from the use of property, the sale of goods, the performance of works or the provision of services.~~

The Law of the Republic of Azerbaijan [No. 764-IVQD dated October 22, 2013](#) ("**Respublika**" newspaper, November 19, 2013, No. 253; **Legislative Collection of the Republic of Azerbaijan, 2013, No. 11, Article 1280**) of the 13th after the word "**profit**" the words "**(income by individual entrepreneurs)**" were added to the article.

[\[7\]](#) Law of the Republic of Azerbaijan [No.586-VIQD dated July 8, 2022](#) (official website of the Azerbaijan S Information Agency (AZERTAC), "**Azerbaijan**" newspaper, August 5, 2022, August 6, 2022, no. 165, **Legislative Collection of Republic of Azerbaijan, 2022, No. 8, Article 833**) and Article 13, the word "**commodity**" was replaced by the words "**production of goods and (or)**

[\[8\]](#) Law of the Republic of Azerbaijan [No. 977-VIQD dated February 23, 2021](#) ("**Azerbaijan**" newspaper, April 17, 2021, No. 171

[\[9\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The word "State" in Article 14.3 of the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) was replaced by the words "State, if no separate rule for the creation of property rights is provided by law."

[\[10\]](#) June 24, 2005 No. 949-IIQD "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 15.1 was removed by the Law of the Republic of Azerbaijan. The previous edition of the article stated:

~~15.1. Individuals and legal entities exercise their civil rights, including the right to defend them, as they wish.~~

[\[11\]](#) June 24, 2005 No. 949-IIQD "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), in Article 15.2, the words "refusal to exercise rights" were replaced by the words "not using civil rights"

[\[12\]](#) June 24, 2005 No. 949-IIQD "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 16.2 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

The previous edition of the article stated:

~~16.2. It is not allowed to use civil rights to restrict competition, as well as to abuse a dominant position in the market.~~

[\[13\]](#) June 24, 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 17.2 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

The previous edition of the article stated:

~~17.2. Court protection of civil rights is carried out by courts of general jurisdiction and economic courts in accordance with the case relevance determined by the Civil-Procedural Code of the Republic of Azerbaijan. The contract may provide for settlement of the dispute between the parties before the court.~~

[\[14\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 17.3 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

The previous edition of the article stated:

~~17.3. Administrative protection of civil rights is carried out only in the cases stipulated by the legislation. An administrative decision can be appealed to the court.~~

[\[15\]](#) June 24, 2005 No. 949-IIQD "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 20 was removed by the Law of the Republic of Azerbaijan

The previous edition of the article stated:

~~Article 20. Self-defense of civil rights~~

~~20.1. Individuals have the right to self-defense by all methods not prohibited by law.~~

~~20.2. Civil rights self-defense methods must be proportionate to the civil rights violation and must not go beyond what is necessary to prevent it.~~



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Republic of Azerbaijan, 2005, No. 8, Article 693)in Article 21.1, the words"Person whose right has been violated""Person who has the right to demand compensation for damage".

[17] June 24, 2005 No.949-IIQD"On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), Article 21.3 has been revised.

The previous edition of the article stated:

~~21.3. If the infringer has gained income as a result, the infringed person can demand payment of the lost benefit in an amount not less than those incomes, along with other damages.~~

[18] June 24, 2005 No.949-IIQD"On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 22 was removed bythe Law of the Republic of Azerbaijan

The previous edition of the article stated:

~~Article 22. Compensation for damage caused by state authorities and local self-government bodies~~

~~Compensation for damage caused to a natural or legal person as a result of illegal actions (inaction) of state power bodies, local self-government bodies or officials of those bodies, as well as adoption of non-normative acts of the state power body or local self-government body that do not comply with the legislation, shall be the responsibility of the Republic of Azerbaijan and or should be paid at the expense of the respective municipality.~~

[19] In the Law of the Republic of AzerbaijanNo. 167-IIIQD of October 20, 2006,and family" was addedafter the wordpersonalin Article 23.1 (Collection of Legislation of the Republic of Azerbaijan, 2006, No. 12, Article 1005)

[20] In the Law of the Republic of AzerbaijanNo. 167-IIIQD of October 20, 2006,and family" was addedafter the wordpersonalin Article 23.2(Collection of Legislation of the Republic of Azerbaijan, 2006, No. 12, Article 1005)

Law of the Republic of Azerbaijan [No. 807-VIQD dated February 17, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), April 8 , 2023 , "Azerbaijan" newspaper, April 9, 2023 , No. 73 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445) and in the first sentence of Article 23.2, in the first case, the words " in the mass media " are replaced by the word " in the media ", and the words " in the mass media " are replaced by the words " in the media ". has been replaced.

[21] Law of the Republic of Azerbaijan[No.807-VIQDdated February 17, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), April 8, 2023 , "Azerbaijan" newspaper, April 9,2023, No. 73, Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445)andArticle 23.3,the wordsin the mass mediain the media",in the mass media"were replaced by the wordin the media(" was addedafter the wordspublished(broadcast)after the words"publishingto that article

[22] June 24, 2005 No.949-IIQD"On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word"guardian" was replaced by the word"guardian" in Article 28.4

[23] June 24, 2005 No.949-IIQD"On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of Republic of Azerbaijan approved by that law"AzerbaijanThe fourth sentence was added to Article 28.8the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[24] June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and to the C Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of t publi Azerbaijan and related legal regulation issues" AzerbaijanThe second sentence was added to Article 29.1the Law epu

[25]

June 24, 2005 No.949-IIQD"On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),in the first sentence of Article 30.1, the word"**guardian**" "**guardian** ", and in the second sentence,the word"**guardian**" was replaced by the word"**guardian**".and"**in writing**" are omitted.

The previous edition of the article stated:

~~30.1. Minors between the ages of 14 and 18 enter into contracts with the written consent of their legal representatives—parents, adoptive parents or guardians, except for what is specified in Article 30.2 of this Code. A contract entered into by such a minor is also valid if subsequently approved in writing by his parents, adoptive parents or guardian.~~

[26]

June 24, 2005 No.949-IIQD"On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the word"**guardian**" was replaced by the word"**guardian**"in Article 30.2

[27]

June 24, 2005 No.949-IIQD"On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 30.2.3 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

The previous edition of the article stated:

~~30.2.3. according to the law, make deposits to credit bureaus and dispose of them;~~

[28]

June 24, 2005 No.949-IIQD"On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" on amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the word"**guardian**" was replaced by the word"**guardian**"in Article 30.4

[29]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe sixth sentence was added to Article 32.1the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

According to the Law of the Republic of Azerbaijan No. 313-IIIQD of April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 6, Article 560**) in Article 32.1, the words " **or from narcotic drugs** " , **from narcotic drugs or psychotropic substances** " was replaced by the words.

[30]

By the Law of the Republic of Azerbaijan No. 313-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 6, Article 560**) in Article 33.6**or from narcoticdrugs"**or **from psychotropic substances**" was replaced by the words

[31]

Law of the Republic of Azerbaijan [No.880-VIQDdated May 30, 2023](#)(**official website of the Azerbaijan State Information Agency (AZERTAC), July 12,2023, "Azerbaijan" newspaper, July 13,2023 , No. 144, Legislative Collection of the Republic of Azerbaijan, 2023, No. 7, Article 881**)andthe third sentence of Article 35.1 were considered as the fourth sentence and the third sentence was added in the new content.

[32]

Withthe Law of the Republic of Azerbaijan [No.1722-VQDdated December 3, 2019](#)("Azerbaijan" newspa **December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908**)In Article 35.4, words "**education, treatment, social protection of the population or other similar institutions**have been replaced by words"**social service institutions**

[33]

Withthe Law of the Republic of Azerbaijan [No.1722-VQDdated December 3, 2019](#)("Azerbaija. /spa

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[34] With the Law of the Republic of Azerbaijan [No.1722-VQD dated December 3, 2019](#) ("Azerbaijan" newspaper, December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908) In Article 38.2, the words "education, treatment, social protection of the population" were replaced by the words "social service institutions"

[35] Law of the Republic of Azerbaijan [No.915-VIQD dated June 13, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), July 17, 2023, "Azerbaijan" newspaper, July 18, 2023, No. 148, Legislative Collection of the Republic of Azerbaijan, 2023, No. 7, Article 900) and a new second sentence was added to Article 41.2.

[36] Law of the Republic of Azerbaijan [No.98-VQD dated December 29, 2015](#) ("Respublika" newspaper, February 18, 2016, No. 37; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 204) to Article 43.5, after the words "(non-commercial legal entities)", the words "as well as (public legal entities) engaged in activities of national and public importance" were added.

43.5 of the Law of the Republic of Azerbaijan [No. 576-VQD dated April 7, 2017](#) ("Azerbaijan" newspaper, May 19, 2017, No. 106, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 703) in the article, the words "and public" were replaced by the words "and (or) public".

[37] Law of the Republic of Azerbaijan [No.98-VQD dated December 29, 2015](#) ("Respublika" newspaper, February 18, 2016, No. 37; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 204) Article 43.7 was added in the new content with 204)

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and Article 43.7, the words "and "Law of the Republic of Azerbaijan on Public Legal Entities", "On Public Legal Entities" and "Law of the Republic of Azerbaijan The words "Laws of the Republic of Azerbaijan" about the Central Bank have been replaced.

[38] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the second sentence of Article 47.1, the word "One" has been replaced by the words "One", except for the cases stipulated in the laws of the Republic of Azerbaijan "On Banks" and "On Investment Funds"

[39] 47.2 of the Law of the Republic of Azerbaijan No. 952-IIIQD dated February 12, 2010 ("Azerbaijan" newspaper, April 18, 2010, No. 82, Legislative Collection of the Republic of Azerbaijan, 2010, No. 4, Article 265) The third sentence was added to the article.

[40] In connection with the application of the Law of the Republic of Azerbaijan No. 925-IIQD dated June 10, 2005 "On the State Registration and State Register of Legal Entities", making additions and changes to some legislative acts of the Republic of Azerbaijan and repealing the Law of the Republic of Azerbaijan "On Limited Liability Enterprises" on consideration of the Law of the Republic of Azerbaijan ([Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 684](#)) in Article 48.2, the first sentence has been revised, the second sentence has been removed. The previous edition of the article stated:

48.2. Violation of the order of creation of a legal entity or failure of its charter to comply with Article 47 of this Code causes a refusal to register a legal entity. Refusal of registration is not allowed due to considerations of inadvisability of creating a legal entity. A complaint can be filed with the court about the refusal to take state registration, as well as the evasion of registration.

[41] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the second sentence of Article 49.1, the words "with the charter" are, respectively, the charter, "On Banks", "On Insurance Activities", "On Investment Funds", "On the Securities Market" and "On Insurance of Deposits" laws of the Republic of Azerbaijan with" was replaced by the words.

[42] Law of the Republic of Azerbaijan [No. 610-VQD dated May 20, 2021](#) ("Azerbaijan" newspaper, May 20, 2021, No. 100, Legislative Collection of the Republic of Azerbaijan, 2021, No. 5, Article 610)



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~~49.3. A person acting on behalf of a legal entity must act honestly and wisely for the interests of the legal entity he represents. If the contract does not provide for a separate rule, at the request of the founders (participants) of the legal entity, he must pay compensation for the damage caused to the legal entity.~~

49.3 of the Law of the Republic of Azerbaijan [No. 1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) in the first sentence of the article, the words " and cautious " with the words " to be cautious, as well as fair and impartial when making decisions ", in the third sentence, the word " participants " with the words " participants (participants) who have at least 5 percent share (shares) in the authorized capital " has been replaced.

[\[43\]](#)
[Law of the Republic of Azerbaijan No.1449-VQD dated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2533)legal person who does not perform or does not properly perform the duties defined by this Code for the interests of the person"from Article 49.4 .

[\[44\]](#)
[Law of the Republic of Azerbaijan No.1449-VQD dated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2533)to Article 49.4.6, after the word unjust"or harming them" were added.

[\[45\]](#)
With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#)("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) Articles 49.4-49.6 have been added in the new content.

With the Law of the Republic of Azerbaijan [No. 1449-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2533) In the first sentence of Article 49.6, " 5" number "10" replaced by numbers.

[\[46\]](#)
With the Law of the Republic of Azerbaijan [No.1283-IVQD dated May 15, 2015](#)("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) Article 49-1 was added in the new

[\[47\]](#)
With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#)("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) At the end of Article 49-1.1.8, the period sign was replaced by a semicolon, and Article 49-1.1.9 was added in the new content.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 49-1.1.9 after the words "About banks" , the words "about non-bank credit organizations" , from the word "to banks" then the words "to non-bank credit institutions " were added.

[\[48\]](#)
With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#)("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the first sentence of Article 49-1.3, the words "or" were added after the words "except for the cases stipulated in the Law of the Republic of Azerbaijan "On Banks"

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and the first sentence of Article 49-1.3 after words " or " the words " in relation to banks " were added and in that sentence " cases stipulated by the Law except " were replaced by " taking into account the requirements of the Law " .

[\[49\]](#)
With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#)("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) In Article 49-1.4, the words "Ar" are replaced by the words "Articles 337 1 and 339

[\[51\]](#) Law of the Republic of Azerbaijan No.952-IIIQD dated February 12, 2010 "Azerbaijan" newspaper, April 18, 2010, No. 82, Legislative Collection of the Republic of Azerbaijan, 2010, No. 4, Article 265) with 50.1 - Article 1 has been added.

[\[52\]](#) Law of the Republic of Azerbaijan No.496-IVQD dated December 11, 2012 ("Respublika" newspaper, January 19, 2013, No. 12; "Azerbaijan" newspaper, January 23, 2013, No. 15; Law of the Republic of Azerbaijan Legislation Collection, 2013, No. 01, Article 15) and Article 51, after the word of the body, the words "of the headquarters of the governing bodies in the political party" were added.

[\[53\]](#) 53.3 with 952-IIIQD dated February 12, 2010 ("Azerbaijan" newspaper April 18, 2010, No. 82, Legislative Collection of the Republic of Azerbaijan, 2010, No. 4, Article 265) The third sentence was added to the article.

[\[54\]](#) In connection with the application of the Law of the Republic of Azerbaijan No. 925-IIQD dated June 10, 2005 "On the State Registration and State Register of Legal Entities", making additions and changes to some legislative acts of the Republic of Azerbaijan and repealing the Law of the Republic of Azerbaijan "On Limited Liability Enterprises" on consideration" of the Law of the Republic of Azerbaijan ([Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 684](#)), in the fourth sentence of Article 55.3, the words "Approval of the specified documents by the court" "The legally binding decision of the court, compliance with the requirements of the legislation by doing" was replaced by the words

[\[55\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) Article 55.6 was added in the new content.

[\[56\]](#) With the Law of the Republic of Azerbaijan [No.1640-VQD dated July 9, 2019](#) ("Azerbaijan" newspaper, July 24, 2019, No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202) Article 55.7 was added in the new content.

[\[57\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In article 59.2.3, after the word in the Code, the words "about banks", "about insurance activities" and "about investment funds" in the laws of the Republic of Azerbaijan were added.

[\[58\]](#) With the Law of the Republic of Azerbaijan [No.1640-VQD dated July 9, 2019](#) ("Azerbaijan" newspaper, July 24, 2019, No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202) The period at the end of Article 59.2.3 was replaced by a semicolon and Article 59.2.4 was added in the new content.

[\[59\]](#) With the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) Article 59.2-1 has been added.

[\[60\]](#) By the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) In the first sentence of Article 59.3, the words "Article 59.2 were replaced by the words "Articles 59.2.2 and 59.2.3 or local self-government body" were removed.

Article 59.3 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the sentence of the article, the word "(organization)" was added after the word " organization ".

59.3 of the Law of the Republic of Azerbaijan [No. 1640-VQD dated July 9, 2019](#) ("Azerbaijan" newspaper No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202) a third sentence with n ent

[\[61\]](#) With the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) Article 59.6 has been added.

[\[62\]](#) With the Law of the Republic of Azerbaijan [No.990-IVQD dated June 20, 2014](#) ("Respublika" newspaper, July 13, 2014, No. 148; Legislative Collection of the Republic of Azerbaijan, 2014, No. 07, Article 768) Article 59.7 has been added.

[\[63\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) Article 59.8 was added in the new content.

[\[64\]](#) With the Law of the Republic of Azerbaijan [No.1640-VQD dated July 9, 2019](#) ("Azerbaijan" newspaper, July 24, 2019, No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202) Article 59.9 has been added in the new content.

[\[65\]](#) With the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) Article 60 has been revised.

60 with the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) and in the text of Articles 61, after the word "adjuster" in the appropriate cases of the noun, the word "liquidator" was added in the appropriate cases of the noun.

[\[66\]](#) By the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) The text of Article 61 is given in a new edition.

[\[67\]](#) With the Law of the Republic of Azerbaijan [No.62-VIQD dated April 24, 2020](#) ("Azerbaijan" newspaper, May 9, 2020, No. 91, Legislative Collection of the Republic of Azerbaijan, 2020, No. 5, Article 515) In articles 61.3 and 965.2.3, and "unemployment insurance fees" were added after the word "fees"

61.3 of the Law of the Republic of Azerbaijan [No. 393-VIQD dated October 29, 2021](#) ("Azerbaijan" newspaper, November 26, 2021, No. 256, Legislative Collection of the Republic of Azerbaijan, 2021, No. 11, Article 1206) after the words "unemployment insurance premiums", the words "as well as compulsory medical insurance premiums to the compulsory medical insurance fund" were added to the article.

[\[68\]](#) Law of the Republic of Azerbaijan [No.572-VIQD dated June 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 18, 2022, Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, Article 824) and Article 61.3-1 was added in new content.

[\[69\]](#) With the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) Article 62 has been repealed.

[\[70\]](#) Article 62.1.4 of No. 80-IIIQD dated March 3, 2006 "On Addition to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2006, No. 5, Article 387](#)) After the words "compulsory payments to budget in the fourth place" the words "and compulsory state social insurance fees to the non-budgetary state fund" were added.

[\[71\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) Article 63

[\[72\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 63.2 the words **Civil Procedure Code of the Republic of Azerbaijan** have been replaced by the words **"On Insolvency and Bankruptcy"** and **"Laws of the Republic of Azerbaijan on Banks"**, respectively

[\[73\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Article 67.6 has been added.

[\[74\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Article 68.3 has been added.

[\[75\]](#) Article 87.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#) after the word **"person"** in the first sentence, **"(physical and (or) legal entity)"** and a new third sentence were added.

[\[76\]](#) 87.3 of the Law of the Republic of Azerbaijan No.287-IVQD dated December 30, 2011 ("Azerbaijan" newspaper, January 21, 2012, No. 15, Legislative Collection of the Republic of Azerbaijan, 2012, No. 01, Article 5) In Article 87.4, after the word **"payment before the word "is held"** in the first sentence of Article 87.4, **(if the company's charter does not provide for payment of the charter capital for a certain period of time)"** were added.

[\[77\]](#) Article 87 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#) new articles 87.2-87.7 were added and articles 87.2-87.3 in the previous edition were considered to be relevant articles 87.8-87.9.

[\[78\]](#) Law of the Republic of Azerbaijan [No.1449-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 87.10 was added in new content with 2533)

[\[79\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and Article 90.1, the fourth sentence was added with new content.

[\[80\]](#) 90.2 of the Law of the Republic of Azerbaijan No.287-IVQD dated December 30, 2011 ("Azerbaijan" newspaper, January 21, 2012, No. 15, Legislative Collection of the Republic of Azerbaijan, 2012, No. 01, Article 5) Article is given in a new edition.

The previous editorial said:

~~90.2. The founders of the limited liability company are obliged to fully pay the charter capital until the company is registered.~~

[\[81\]](#) Law of the Republic of Azerbaijan [No.1034-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 27, 2023, "Azerbaijan" newspaper, December 28, 2023, No. 285, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609) and Article 90.3, the words **"including the relief of demands against the society by compensation"** were removed.

[\[82\]](#) Law of the Republic of Azerbaijan [No.1034-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 27, 2023, "Azerbaijan" newspaper, December 28, 2023, Article 90.3-1) added content with No. 285, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609

No. 3, Article 123) Articles 90.4-90.7 are added and former article 90.5 is considered article 90.8.

Law of the Republic of Azerbaijan [No. 1034-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 27, 2023 , "Azerbaijan" newspaper, December 28, 2023 , No. 285 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609) and Article 90.4 in the second case, after the words " (or) " , " the way to offset the monetary claims of persons with monetary claims against the company with a share in the authorized capital of that company with and (or) " words and the second and third sentences were added in the new content.

[84] With the Law of the Republic of Azerbaijan [No.1584-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814) In the second sentence of Article 90.5, the words "accounting report" have been replaced by the words "financial statements

[85] The Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 566-IIQD dated December 23, 2003 ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and Article 90.8 of the Code article is given in the new edition.

The previous edition of the article stated:

~~90.8. Reduction of the authorized capital of a limited liability company is allowed after notifying all its creditors. In this case, the creditors have the right to demand the early execution or termination of the respective obligations of the company and compensation for the losses incurred.~~

[86] The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) to the Code 90-1 Article has been added.

[87] With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) In the second sentence of Article 90-1.2, have been replaced by the word "Net if no separate rule is provided in the company's charter

[88] Article 91.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) second and third sentences were added after the first sentence.

91.1 of the Law of the Republic of Azerbaijan [No. 1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110 , Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) in the fifth sentence of the article, the words " single-headed management body of the company " were replaced by the words " the head and members of the collegial executive body of the company or the head of the single-headed executive body of the company ."

91.1 of the Law of the Republic of Azerbaijan [No. 635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) in the third sentence of the article, after the word " in case " , the words "as well as in public institutions " were added, and the words " can be created " were replaced by the word " created " .

91.1 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the fourth sentence of the article, the words " and (or) " were replaced by the words " or " .

[89] Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) 91.1-1- Articles 91.1-4 have been added.

91.1-1 with the Law of the Republic of Azerbaijan [No. 1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May

91.1-1 of the Law of the Republic of Azerbaijan [No. 635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) In the second sentence of the article, after the word " to be " , the words "to demand changes in the agenda of the general meeting and to add new discussion topics to the agenda " were added.

[\[90\]](#) Law of the Republic of Azerbaijan [No.936-VIQDdated July 6, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3,2023 , No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)to the first sentence of Article 91.1-3after the wordmeetingin the law or" and the second sentence "byrequest" after the words ", as well as by other persons determined by law" were added.

[\[91\]](#) Law of the Republic of Azerbaijan[No.1449-VQDdated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2533)and Article 91.1-4 have been revised.

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the previous editorial said:

91.1-4. In a company consisting of one participant, decisions on issues related to the powers of the general meeting are taken by that participant alone and formalized in writing.

[\[92\]](#) Law of the Republic of Azerbaijan[No.1449-VQDdated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, ArticleArticles 91.1-5, 91.1-6 and 91.1-7 were added in the new content with2533)

[\[93\]](#) Withthe Law of the Republic of Azerbaijan [No.1584-VQDdated May 3, 2019](#)("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814)In articles 91.3.3, 91-3.5 and 111.3.4, the words "accounting balanceshave been replaced by the words"financial statements

[\[94\]](#) The Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 566-IIQD dated December 23, 2003 ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and 91.3.5- After the word"the company" in article 1,"the company's board of directors (or the supervisory board) and (or)"were added.

91.3.5 with the Law of the Republic of Azerbaijan [No. 635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) After the word " choose " in the article, the words " and prematurely terminate their powers " were added.

[\[95\]](#) Withthe Law of the Republic of Azerbaijan[No.1283-IVQDdated May 15, 2015](#)("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512)At the end of Article 91.3.5, the period sign was replaced by a semicolon, and Article 91.3.6 was added in the new content.

With the Law of the Republic of Azerbaijan [No. 1449-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2533) In article 91.3.6, the word " in the article " was replaced by the words " and in articles 87.10 " .

[\[96\]](#) Withthe Law of the Republic of Azerbaijan[No.1283-IVQDdated May 15, 2015](#)("Respublika" newspaper, May 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512)In the first sentences of Arti 91.4 and 107.6, the words "professional who is not connected to the society or its participants bypropertyhave been replk by the word"independent



[\[97\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Note section added.

[\[98\]](#) The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) to the Code 91-1 -Articles 91-3 have been added.

[\[99\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and the third sentence of Article 91-1.4 were considered as the fourth sentence and the third sentence was added in the new content.

[\[100\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Articles 91-1.4, 91-1.5 and 91-1.6 have been added.

[\[101\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) Article 91-4.3 has been revised.

The previous editorial said:

91-4.3. Individuals are elected to the membership of the audit committee of the company. Persons represented in other management bodies of the company and (or) participants of the company cannot be members of the audit committee.

[\[102\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Article 91-4 has been added.

[\[103\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) From Article 93.2, the words "unless a separate rule is provided in the company's charter" have been removed.

[\[104\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) From the first sentence of Article 93.3, the words "provided that the charter of the company or the agreement of its participants do not provide for a separate procedure for the exercise of that right" were removed, the second sentence of that article was considered the third sentence, and a second sentence with new content was added to that article.

[\[105\]](#) Law of the Republic of Azerbaijan [No.1449-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article Article 93.7 was added in new content with 2533)

[\[106\]](#) Article 98.2 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) second sentence added.

[\[107\]](#) Article 98 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) in the new edition, article 98.3 was added and articles 98.3-98.7 were considered articles 98.4-98.8, respectively

Article 98.3 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, October 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the new edition, article

Codes

It is in force

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[\[108\]](#) Article 98.5 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) in the first sentence, "a person" and "from a person" are replaced by the words "a person (natural or legal entity)" and "from a person (natural or legal entity)", respectively

[\[109\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 98.7, the words "to this Code" have been replaced by the words "to this Code, to the laws of the Republic of Azerbaijan, "On Banks", "On Insurance Activity" and "On Investment Funds"

[\[110\]](#) Article 98 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Articles 98.9-98.14 have been added.

[\[111\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 98.11.3, the words "this Code" were replaced by the words "respectively, this Code, "On Banks", "On Insurance Activity", "On Investment Funds" and "Laws of the Republic of Azerbaijan"

[\[112\]](#) With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 98.13, the words "relevant executive authority" have been replaced by "financial market control body"

Article 98.13 of the Law of the Republic of Azerbaijan [No. 385-VQD dated November 11, 2016](#) ("Azerbaijan" newspaper, December 30, 2016, No. 291, Legislative Collection of the Republic of Azerbaijan, 2016, No. 12, Article 1998) in the article, the words "according to it by the financial market control body" were replaced by the words "On the Securities Market" by the Law of the Republic of Azerbaijan.

Article 98.13 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the article, the words "this Code and the Law of the Republic of Azerbaijan" on the "Securities Market" were replaced by the words "this Code, "On Banks", "On Investment Funds" and "Laws of the Republic of Azerbaijan on the Securities Market", respectively.

[\[113\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) Article 98.15 was added in the new content.

98.15 of the Law of the Republic of Azerbaijan [No. 1575-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 812) After the word "provisions" in Article 98.5 and 98.11.1, the words "Provisions of the Law of the Republic of Azerbaijan on Investment Funds" were added in relation to the issues mentioned in Articles 98.5 and 98.11.1.

[\[114\]](#) With the Law of the Republic of Azerbaijan [No.1584-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814) In Article 99.2, the words "accounting balance" have been replaced by the words "financial statements (except for micro and small business entities)"

[\[115\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) In Article 99.2.8, the word "members" has been replaced by the word "each member"

[\[116\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) In Article 99.2.8, the word "members" has been replaced by the word "each member"





[\[117\]](#) Article 99 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article 99.3 has been added.

Article 99.3 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) A fourth sentence was added to the article with a new content.

[\[118\]](#) Article 99.4 was added by the Law of the Republic of Azerbaijan No.610-IIIQD dated May 30, 2008 (Legislative Collection of the Republic of Azerbaijan, 2008, No. 6, Article 456)

99.4 of the Law of the Republic of Azerbaijan [No. 1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) item has been cancelled.

[\[119\]](#) Article 101.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) in the second sentence, after the words "in the period stipulated in its charter", the words "but within thirty days from the date of the announcement of the sale" before the words "joint-stock company" "within the next thirty days" should be added, and the fourth sentence was added to the article. The previous edition of the article stated:

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101.1. Shareholders of a closed joint-stock company have preferential rights to acquire shares sold by other shareholders of that company. If none of the shareholders exercise their preemptive rights within the period stipulated in the company's charter, the joint-stock company can acquire those shares at a price agreed with their owner. Shares may be alienated to a third party if the joint-stock company refuses to acquire the shares or if no agreement is reached on their price.

[\[120\]](#) Article 102 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) to the beginning of the first sentence "102.1." numbers are added.

[\[121\]](#) Article 102 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Articles 102.2-102.5 have been added.

102.5 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the article, the word " Society " was replaced by the words " society", except for the cases stipulated in the Law of the Republic of Azerbaijan "On Banks" .

[\[122\]](#) Article 103 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) The second, third and fourth sentences have been added to Article 103.1.

103.1 of the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) in the second sentence of the article, the words " this Code" were replaced by the words "this Code", "On Banks", "On Insurance Activity", "Laws of the Republic of Azerbaijan on the Securities Market" .

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan S Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislation of Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and in the second sentence of Article 103.1, the words "On Bank "On Insurance Activity", "On the Securities Market" of the Laws of the Republic of Azerbaijan. sectoral laws have been replaced by the words " .

[\[123\]](#) With the Law of the Republic of Azerbaijan [No. 1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) Article 103.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article 103.1 has been cancelled.



Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and in the second sentence of Article 103.2, the words " market control body " were replaced by the words " the Central Bank of the Republic of Azerbaijan in the cases stipulated by the laws regulating the markets ".

[124] Law of the Republic of Azerbaijan [No.1034-VIQD dated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 27,2023, "Azerbaijan" newspaper, December 28,2023, No. 285, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609)and Article 103.4, the words "including to release by compensation of demands against the society" were removed.

[125] Law of the Republic of Azerbaijan [No.1034-VIQD dated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 27,2023, "Azerbaijan" newspaper, December 28,2023, Article 103.4-1 was added in the new content with No. 285, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609)

[126] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#)("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212)In the second sentence of Article 103.5, the word "If About banks", "About insurance activities", "About securities market", "About non-bank credit organizations", "About credit unions", "About post" and "Credit bureaus except for the cases stipulated by the laws of the Republic of Azerbaijan, if

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and in the second sentence of Article 103.5 "About Banks", "About Insurance Activity", "About Securities Market", "Non-Bank Credit Institutions on", "On credit unions", "On post office" and "On credit bureaus" in the laws of the Republic of Azerbaijan " have been replaced by the words " In field laws ".

[127] Article 104.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) second sentence added.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) in the second sentence of Article 104.1, in the first sentence of Article 107-2.4 (in both cases), 902.2, 986-3.2. In Articles 2, 991.2, 992, in the second sentence of Article 997.4, in Articles 1033.1, 1048-2.2, 1048-2.4, 1076-6.5, in the second sentence of Article 1076-6.6 in the first sentence of Article 1076-7.3, in Article 1076-9.4, in the first and second sentences of Article 1076-10.4, in Articles 1076-11.1, 1076-11.3, in the third sentence of Article 1076-11.5 , in the first and second sentences of Article 1076-13.3, in Article 1076-13.4, in the first and second sentences of Article 1076-13.6, in the first and second sentences of Article 1076-13.7, in Article 1076-13.10, 1076- In the third sentence of Article 13.11, in the third sentence of Article 1077.7, in the second sentence of Article 1078-1.2, 1078-21.9, 1078-24, 1078-26.5, 1078-26.6, 1078-27.1 In Articles 2, 1078-27.2, 1078-27.3 and 1078-27.6, the words " financial market control body " in the relevant cases of the noun have been replaced by the words " **Central Bank of the Republic of Azerbaijan** " in the relevant cases of the noun .

Law of the Republic of Azerbaijan [No. 1034-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 27, 2023 , "Azerbaijan" newspaper, December 28, 2023 , No. 285 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609) and the second sentence of Article 104.1 were considered as the third sentence and the second sentence was added in the new content.

[128] Law of the Republic of Azerbaijan [No.1034-VIQD dated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 27,2023, "Azerbaijan" newspaper, December 28,2023, Article 104.1-1 was added in new content with No. 285, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1609)

[129] With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#)("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Article 104.2 is given in a new edition The previous editorial said:

~~104.2. In the charter of the company, the shareholders who have simple (ordinary) or other voting shares~~



article, the word " all " was added after the word " person " .



[130] Article 105 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article 105.2 is given in a new edition.

The previous edition of the article stated:

~~105.2. Reduction of the authorized capital of the company is allowed after notification to all its creditors. At this time, the company's creditors can demand the early execution of the relevant obligations of the company or their termination and compensation for the losses incurred.~~

[131] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 105.4, the word "Shareholder" is defined as "About banks", "About insurance activities", "About securities market", "About non-bank credit organizations", "About credit unions", "About post offices" and "About credit bureaus". Except for the cases stipulated by the laws of the Republic of Azerbaijan, the words "shareholder" have been replaced.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 105.4 "About Banks", "About Insurance Activities", "About Securities Market", "About Non-Bank Credit Institutions" , the words "On Credit Unions", "On Post Office" and "On Credit Bureaus" in the Laws of the Republic of Azerbaijan" were replaced by the words " In Sectoral Laws " .

[132] 105-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article has been added.

[133] With the Law of the Republic of Azerbaijan [No.385-VQD dated November 11, 2016](#) ("Azerbaijan" newspaper, December 30, 2016, No. 291, Legislative Collection of the Republic of Azerbaijan, 2016, No. 12, Article 1998) In Article 105-1.3, the word "stock exchange" is replaced by the words "stock exchange"

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21 , 2023 , "Azerbaijan" newspaper, January 22, 2023 , No. 14 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and Article 105-1.3 replaced the word " owners " with the word " owners " .

[134] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in the second sentence of Article 105-1.5, the words "must be canceled" have been replaced by the words "must be withdrawn from circulation"

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and in the second sentence of Article 105-1.5, the words " to be placed again " were replaced by the word " to be expropriated " .

[135] The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 106](#) of the Code) article is given in the new edition. The previous edition of the article stated:

~~Article 106. Restrictions on issuing securities and paying dividends of a joint-stock company~~

~~106.1. The joint-stock company has the right to issue preferred shares. Those shares guarantee that their owners receive dividends, as a rule, in the form of a fixed percentage of the nominal value of the share, regardless of the results of the joint-stock company's economic activity, as well as give them the right of preference over other shareholders in the purchase of property remaining after the liquidation of the joint-stock company, and the conditions for the issuance of such shares and other rights held. Preference shares do not give their owners the right to participate in the management of the company's affairs unless otherwise specified in the charter of the joint-stock company. The share of preferred shares in the total amount of~~

106.3. If the value of the net assets of the joint-stock company is less than the amount of its authorized capital or will be less as a result of the payment of dividends, the joint-stock company cannot declare and pay dividends. ✓

[136] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and Article 106.1, the word "cancellation" was replaced by the words "removal from circulation"

[137] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in the third and fourth sentences of Article 106.2, the word "owners" was replaced by the word "owner"

[138] 106-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) - Articles 106-3 have been added.

[139] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22), in Articles 106-1.3 and 106-1.4, the words "owner shareholder" were replaced by the word "owner"

[140] With the Law of the Republic of Azerbaijan [No.1584-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814) in Article 106.1.3.2 and the third sentence of Article 112.1, the words "accounting balance" have been replaced by the words "financial statements"

[141] With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) in Article 106-1.3.4, after the words "making changes and adding new discussion topics to the agenda" were added.

[142] With the Law of the Republic of Azerbaijan [No.1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) in Article 106-1.3.5, after the words "participate (except for the cases stipulated in Articles 49-1.2 and 49-1.3 of this Code)" were added.

[143] With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Articles 106-1.3.8-1 – 106-1.3.8-4 have been added.

[144] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in Article 106-1.5, the word "owner" was replaced by the word "owner"

[145] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and Article 106-1.6.2, the word "register keeper" was replaced by words "central depository"

[146] With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 106-2.2 has been replaced by the words "central depository"

[147] With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) In the second sentence of Article 106-3.2, and executed within 30 (thirty) days" have been added after the word **emerges**

[148] Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in the first sentence of Article 106-3.4, the word "owners" was replaced by the word "owners"

[149] With the Law of the Republic of Azerbaijan [No.1584-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814) In Article 107.1.4, the words "accounting balances, profit and loss accounts" have been replaced by the words "financial statements"

[150] With the Law of the Republic of Azerbaijan [No.1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) Article 107.1.6 was added in the new content.

[151] With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) In the first sentence of Article 107.3, after the word **in society**, the words "as well as in socially important institutions" were added.

[152] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the first sentence of Article 107.4, the words "and (or)" have been replaced by the words **or Shareholders** "Shareholders" except for the cases stipulated in the laws of the Republic of Azerbaijan "On Banks" and "On Insurance Activities". replaced with the words

[153] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 107.5 the words **to this Code** "to this Code, to the laws of the Republic of Azerbaijan, "On Banks", "On Insurance Activity", "On Investment Funds".

[154] With the Law of the Republic of Azerbaijan [No.1584-VQD dated May 3, 2019](#) ("Azerbaijan" newspaper, May 26, 2019, No. 115, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 814) In the first sentence of Article 107.6, the word "report" is replaced by the word "reports"

[155] New 107-1 with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) -Articles 107-11 have been added.

[156] With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the first sentences of Articles 107-1.3 and 107-1.6, the word "Shareholders" has been replaced by the words "shareholders", except for the cases stipulated in the Law of the Republic of Azerbaijan "On Banks"

[157] Law of the Republic of Azerbaijan [No.807-VIQD dated February 17, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), April 8, 2023, "Azerbaijan" newspaper, April 9, 2023, No. 73, Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445) and the first sentence of Article 107-1.4, Article 107-1.8.1, Article 107-10.6 Article 1078-27.3 in appropriate cases, the words "mass media" have been replaced by the word "media"



[\[159\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 107-2.1, **at least** were added before the words **sixty**

[\[160\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the third sentence of Article 107-2.2, the word **again** has been replaced by the words **again, except for the cases stipulated in the Law of the Republic of Azerbaijan on Banks**

[\[161\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the second sentence of Article 107-2.3, the word **Repeatedly** was replaced by the words **Repeatedly, except for the cases provided for in the Law of the Republic of Azerbaijan on Banks**

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21 , 2023 , "Azerbaijan" newspaper, January 22, 2023 , No. 14 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in Article 107-2.1, in the third sentence of Article 107-2.2 and in the second sentence of Article 107-2.3, the word **owners** with the word **owners** has been replaced.

[\[162\]](#) With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 107-2.4, the words **relevant executive authority** were replaced by **financial market control body**

[\[163\]](#) Article 107-5.1 of the [No.122-IIIQD dated May 30, 2006](#) (Legislative Collection of the Republic of Azerbaijan, 2006, No. 8, Article 657) after the word **unless** Taking into account the provisions of Article 107-3.5, the words **the** have been added.

107-5.1 with the Law of the Republic of Azerbaijan [No. 186-VQD dated April 5, 2016](#) ("Azerbaijan" newspaper, April 24, 2016, No. 87, Legislative Collection of the Republic of Azerbaijan, 2016, No. 4, Article 640) In the second sentence of the article, after the word **decisions** , the words **except for the rule stipulated in the Law of the Republic of Azerbaijan on Banks** were added.

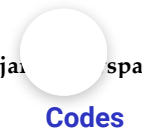
[\[164\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) The second sentence was added to Article 107-7.2 with a new content.

[\[165\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and the second sentence of Article 107-9.1, after the word **members**, the words **as well as the law** were added.

[\[166\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 107-10.2, the words **with this Code** have been replaced by the words **this Code, "On Banks", "On Insurance Activity", "Laws of the Republic of Azerbaijan on Investment Funds"**

[\[167\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 10.3 the words **by the company's charter** have been replaced by the words **according to the company's charter, by the laws of Republic of Azerbaijan "On banks" and "On insurance activity"**

[\[168\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 10.3 the words **by the company's charter** have been replaced by the words **according to the company's charter, by the laws of Republic of Azerbaijan "On banks" and "On insurance activity"**



The previous editorial said:

~~107-10.5. When the personal interest of the member of the executive body of the company conflicts with the interest of the company as a result of the conclusion of any agreement, he must inform the board of directors (supervisory board) about it. The conclusion of this contract can be carried out only on the basis of the relevant decision of the board of directors (supervisory board).~~

[\[169\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) Article 107-11.7 was added in the new content.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , " Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 107-11.7 after the word " requirements " the word " insurers " was added.

[\[170\]](#) With the Law of the Republic of Azerbaijan [No.1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) Article 107-12.3 has been revised.

The previous editorial said:

~~107-12.3. Individuals are elected to the membership of the audit committee of the company. Persons who are represented in other management bodies of the company and (or) are shareholders of the company cannot be members of the audit committee.~~

[\[171\]](#) With the Law of the Republic of Azerbaijan [No.635-VQD dated April 27, 2017](#) ("Azerbaijan" newspaper, May 21, 2017, No. 108, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 735) Article 107-12 is added.

[\[172\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In the second sentence of Article 108.1, the words "this Code" have been replaced by the words "this Code, the laws of the Republic of Azerbaijan "On Banks", "On Insurance Activity" and "On Investment Funds"

[\[173\]](#) With the Law of the Republic of Azerbaijan [No.1295-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, November 27, 2018, No. 267, Legislative Collection of the Republic of Azerbaijan, 2018, No. 11, Article 2212) In Article 108.2, the word "Shareholder" is provided in the laws of the Republic of Azerbaijan "On banks", "On insurance activities", "On securities market", "On non-bank credit organizations", "On investment funds" and "On credit bureaus". except in cases, the words "shareholder" have been replaced.

[\[174\]](#) The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 109 of the Code the text of the article is given in the new edition. The previous version of Article 109 stated:

~~109.1. Cooperative is a membership-based voluntary association of individuals and legal entities for joint activities and is created with the aim of meeting the material and other needs of its participants by pooling property shares of its members.~~

~~109.2. In addition to the information specified in Article 47.2 of this Code in the cooperative's charter, about the amount of cooperative members' share fees; about the procedure for issuing share fees and the responsibility of cooperative members for violating the obligation to issue them; about the composition and authority of the management bodies of the cooperative, their decision-making, including the procedure for making decisions on issues on which decisions are made unanimously or by conditional majority; the conditions on the procedure for payment of the damage suffered by the cooperative by its members should be specified.~~

~~109.3. The name of the cooperative must indicate the main purpose of its activity, as well as the word "cooperative".~~

~~109.4. The characteristics and legal status of individual types of cooperatives, including consumer cooperatives- condominiums, as well as the rights and duties of their members are determined by this Code.~~

[\[175\]](#) With the Law of the Republic of Azerbaijan [No.1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 15, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) In Article 512 after

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[\[176\]](#) With the Law of the Republic of Azerbaijan [No.492-VQD dated December 30, 2016](#) ("Azerbaijan" newspaper, February 7, 2017, No. 27, Legislative Collection of the Republic of Azerbaijan, 2017, No. 02, Article 151) Article 109.18 was new.

[\[177\]](#) 109-1 with the Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420) - Articles 109-4 have been added.

[\[178\]](#) The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 110.1 of the Code the text of the article is given in the new edition:

~~110.1. The property owned by the cooperative is divided among the shares of its members in accordance with the charter of the cooperative.~~

[\[179\]](#) The Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" dated June 17, 2003 No. 479-IIQD (Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420) the Code Articles 1-110-3 have been added.

[\[180\]](#) With the Law of the Republic of Azerbaijan [No.1283-IVQD dated May 15, 2015](#) ("Respublika" newspaper, May 24, 2015, No. 110, Legislative Collection of the Republic of Azerbaijan, 2015, No. 5, Article 512) Article 111.3.5-1 was added in the new content.

[\[181\]](#) The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 111 of the Code Articles 111.6-111.15 were added to the article.

[\[182\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) to the second sentence of Article 111.8 after the words "at the request of (in relation to entities controlled in the financial markets) "About the Central Bank of the Republic of Azerbaijan" taking into account the requirements of the Law of the Republic of Azerbaijan" were added and the words "at the initiative of the management board (chairman), supervisory board and inspection commission (inspector) or at the request of at least a quarter of the members with voting rights" were added in the third. replaced with the words

[\[183\]](#) With the Law of the Republic of Azerbaijan [No.819-IVQD dated November 22, 2013](#) ("Respublika" newspaper, December 30, 2013, No. 289, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1478) In Articles 114.3, 116.3 and 117.7, **remaining after the payment of debts**" were added after the word **his**

[\[184\]](#) Law of the Republic of Azerbaijan No.952-IIIQD dated February 12, 2010 "Azerbaijan" newspaper, April 18, 2010, No. 82, Legislative Collection of the Republic of Azerbaijan, 2010, No. 4, Article 265) with 115.1 **volunteer** from the article.

[\[185\]](#) Law of the Republic of Azerbaijan No.952-IIIQD dated February 12, 2010 "Azerbaijan" newspaper, April 18, 2010, No. 82, Legislative Collection of the Republic of Azerbaijan, 2010, No. 4, Article 265) with 115.1 - Article 1 has been added.

[\[186\]](#) The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) Article 117.1 of the Code the words " **representation and protection of general property interests**" were replaced by "**representation and protection of general interests (including property interests) (including in state and other bodies and international organizations)**"

Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous version of the paragraph read:

~~§4. Inventory list, annual balance and audit of legal entities~~

~~Article 120. Inventory list of legal entities~~

~~120.1. At the beginning of its economic activity, a legal entity must, first, draw up accurate lists of the objects included in its property, including land plots, movable objects, claims and the amount of cash, and secondly, its debts, and at this time indicate the value of individual property objects and liabilities (inventory list) owes. In the subsequent period, the inventory list is compiled for the end of each financial year. The inventory list is drawn up at the end of the economic year in accordance with the proper course of work.~~

~~120.2. The main capital objects, as well as raw materials, auxiliary and work materials, if they are changed from time to time, and their total value is of secondary importance to the firm, should be accepted in the same volumes and with the same value, provided that their existence in terms of quantity, value and composition is only insignificant. to undergo changes. Material inventory of these property objects is conducted every three years. Reserve property objects of the same type, as well as other movable property objects of the same type or approximately equal value, are combined in one group and accepted at the calculated average value.~~

~~120.3. The inventory list of the availability of property objects in terms of types, quantity and value can be determined not only by detailed registration of individual property objects, but also by sampling tests using accepted mathematical-statistical methods. The procedure used in this case should be in accordance with the proper accounting principles. The information value of the inventory list compiled in this manner must correspond to the information value of the inventory list compiled through material inventory.~~

~~120.4. When compiling an inventory list for the end of the business year, if the possibility of determining the availability of property objects in terms of types, quantity and value is provided by another method that complies with the necessary accounting principles, a material inventory of property objects for that moment is not required.~~

~~120.5. It is not mandatory to show property objects in the general inventory list for the end of the business year, provided that:~~

~~120.5.1. the legal entity shall indicate their availability in terms of types, quantity and value in a special inventory list compiled for one of the days of the last three months before the end of the economic year or the first two months after the end of the economic year;~~

~~120.5.2. ensure the possibility of proper evaluation of the property objects available at the end of the economic year due to the special inventory census with the increasing final or interpolation methods that correspond to the above-mentioned necessary accounting principles.~~

~~Article 121. Initial and annual balance sheet of a legal entity~~

~~121.1. At the beginning of its activity and later at the end of the financial year, a legal entity must draw up a balance sheet (initial balance sheet, balance sheet) showing the ratio between its capital and liabilities. At the end of each business year, a comparison of income and expenses for the business year (profit and loss account) is drawn up. Balance sheet and profit and loss accounts make up the annual (final) balance sheet. The annual balance sheet is drawn up in accordance with the proper accounting principles in accordance with the proper course of work. The annual balance must be clear and accurate.~~

~~121.2. The annual balance is drawn up and signed by the legal representatives of the legal entity in the Azerbaijani language and in the country's currency.~~

~~121.3. In the annual balance sheet, all property objects, debts, items that limit the accounting of expenses and income between consecutive accounting periods, as well as expenses and income should be indicated. Items of assets cannot be counted against items of liabilities, and expenses cannot be counted against income.~~

~~121.4. In the balance sheet, fixed and working capital, equity capital, liabilities, as well as items that limit the accounting of expenses and income between consecutive reporting periods should be indicated separately and their division should be carried out. On the fixed capital, only objects intended for permanent operation of the farm should be indicated. The costs of establishing a firm and raising equity capital cannot be included in the balance sheet as items of assets. The same rule applies to intangible property objects of fixed capital acquired free of charge.~~

~~121.5. Reserves are created for liabilities in cases where it is not known whether claims will be made against the legal entity and in what amount. Reserves are created to cover expected losses on unfinished transactions. Reserves are canceled when the need to create them ceases.~~

~~121.6. Expenses incurred up to the final day are shown in items that limit the accounting of expenses and income.~~

~~121.7. The following principles should also be taken into account when evaluating property objects and liabilities shown in the annual balance sheet:~~

~~121.7.1. the value values of the first day of the business year must coincide with the value values of the final balance of the previous business year;~~

~~121.7.2. property objects and liabilities are evaluated separately for the closing date;~~

~~121.7.3. valuation should be done with care, especially all expected risks and losses known or incurred before the closing date should be taken into account; this rule is valid even if those risks and losses are known only in the period between the closing date and the date of drawing up the annual balance sheet;~~

~~121.7.4. profit is taken into account only if it is actually realized by the closing date;~~

~~121.7.5. the expenses and income of the business year are shown in the annual balance without taking into account the factor of payments given or received;~~

~~121.7.6. the valuation methods used during the preparation of the annual balance sheet for the previous business year should be applied.~~

~~121.8. Deviations from the above principles are allowed only in justified, exceptional cases; such deviations must be explained and justified in the attachment.~~

~~121.9. The following principles are also applied for the valuation of items in the assets and liabilities of the balance sheet:~~

~~121.9.1. property objects are valued at the maximum cost of acquisition or preparation, excluding depreciation allowances allowed according to Articles 121.9.2 and 121.9.3 of this Code;~~

~~121.9.2. acquisition or preparation costs for property objects with a limited useful life of fixed capital are reduced by the amount of planned depreciation deductions for the previous business year. In addition, when determining the planned depreciation rates applied for the economic year, the acquisition or preparation costs should be divided between the economic years in which the property object is likely to be used. Unscheduled depreciation deductions can be made for all fixed assets, even if there is a time limit for their use, so that the assets can be valued at the lower end value based on their reasonable commercial value. Unplanned depreciation allocation is carried out in the event of a probable continuous decrease in the value of the property object;~~

~~121.9.3. Depreciation deductions for working capital property are made so that they are valued at the lower of the stock market or market price for the closing date. If it is not possible to determine the stock or market price and if the cost of acquisition or preparation is higher than the value that can be accepted for the property objects at the closing date, depreciation deductions are made up to that value. In addition, if deductions are necessary, they should be made at a reasonable commercial price to avoid changes in the value of the property due to future depreciation;~~

~~121.9.4. amortization deductions for short-term or long-term claims in fixed and working capital are made in the event that the debtor has an objection to the basis or amount of these claims, or their payment is not guaranteed due to the debtor's property situation, and the legal entity does not have sufficient guarantees. Such claims shall be waived in full or at least to an amount payable based on reasonable commercial value;~~

~~121.9.5. In accordance with Articles 121.9.2, 121.9.3 and 121.9.4 of this Code, it is possible to keep the low value price even if there are no grounds for depreciation;~~

~~121.9.6. Depreciation deductions may also be made so that fixed and working capital assets are valued at the lower value based on write-offs only for depreciation allowable under tax law;~~

~~121.9.7. according to the charter of the legal entity, the capital and reserves provided by the partners are valued at the nominal amount;~~

~~121.9.8. liabilities should be assessed on the amounts of repayments. If the amount of repayments on obligations is greater than the amount of expenses, the resulting difference can be evaluated as an item that limits the accounting of expenses and income between successive reporting periods of assets and is written off in the form of annual installments of the same size during the period of validity of the obligation.~~

~~121.10. Acquisition costs are the costs incurred to acquire an asset and bring it into use, provided that they can be attributed to a separate asset. Acquisition costs include the associated overheads and acquisition overheads. The decrease in acquisition price is deducted from the acquisition costs.~~

~~121.11. Development costs are costs incurred as a result of the purchase of goods and services for the development expansion or significant improvement of the property beyond its original condition. These costs include the costs of materials and materials, production costs and special costs of production. When calculating manufacturing costs, the necessary total material costs, necessary total manufacturing costs and fixed capital depreciation deductions are taken into account.~~

enterprise can be taken into account. The costs according to the previous two sentences can be taken into account only if they coincide with the preparation period. Selling costs cannot be included in manufacturing costs. ✓

121.12. Interest on debt capital cannot be included in preparation costs. Debt capital financing the development of real estate can be considered if the interest coincides with the period of development; in such a case, they are considered expenses for the preparation of the property object.

121.13. The amount of the mutual obligation executed by a legal entity to purchase the firm at the time of transfer of the firm, which exceeds the value of individual property objects at the time of transfer minus the debts of the given firm, can be taken as the value of the firm. In each subsequent business year, a quarter of the amount is canceled by write-off. Depreciation of the value of the firm can be allocated on a systematic basis over the years in which it is likely to be used.

121.14. In accordance with the necessary accounting principles, on the valuation of property objects of the same type, it is possible to reserve such a possibility that the property objects acquired or prepared by the former and the property objects acquired or prepared by the latter were used by the former or in some other certain sequence or expropriated.

~~Article 122. Compilation of the balance sheet~~

122.1. The balance is drawn up in the form of an account. Legal entities whose balance sheet amount and income from turnover within twelve months until the closing date are not higher than the last amount determined by the relevant executive power body can show the items given in assets and liabilities in the items marked with letters and Roman numerals below only in the total amount without further division; the required sequence should be expected:

122.2. The following are included in the assets of the balance sheet:

A. Fixed capital:

AI Intangible property objects:

AI1. Concessions, rights to protection of intellectual labor results and similar rights and assets, as well as special permits (licenses) for such rights and assets;

AI2. The value of the firm;

AI3. Advance payments made on intangible property objects.

A. II. Yeasts in item form:

A. II. 1. Land plots and equivalent rights and buildings, including buildings on other land plots;

A. II. 2. Technical equipment and machines;

A. II. 3. Other equipment, company supplies;

A. II. 4. Advance payments made for goods in kind and equipment under construction.

A. III. Financial investments:

A. III. 1. Shareholdings in economically connected companies;

A. III. 2. Securities;

A. III. 3. Investments in economically connected firms;

A. III. 4. Other investments.

B. Working capital:

BI Reserves:

BI1. Raw materials, auxiliary and work materials;

BI2. Half-finished products, half-finished services;

BI3. Finished products and goods;

BI4. Advance payments made:

B. II. Claims and other property objects:

B. II. 1. Shipping and handling requirements;

B. II. 2. Requirements for economically connected firms;

B. II. 3. Other property objects.

B. III. Securities:

B. IV. Checks, cash on hand and non-cash funds at credit bureaus.

C. Items that limit the accounting of expenses and income between consecutive accounting periods:

Ch. Final (balance amount):

122.3. The liabilities of the balance include the following:

A. Equity:

AI Charter capital (in full and limited partnerships and cooperatives – the amount in the capital ac of t

- A.III.1. Provision by law;
- A.III.2. Reserve by statute;
- A.III.3. Other allocations from profit to reserves;
- A.III.4. Carried forward profit or carried forward loss from previous years;
- A.III.5. Annual surplus or annual deficit.
- B. Provisions:
 - B.1. Provisions for payment of taxes;
 - B.2. Provisions for payment of uncertain liabilities.
- C. Obligations:
 - C.1. Debts;
 - C.2. Obligations to credit bureaus;
 - C.3. Advance payments received on orders;
 - C.4. Obligations for shipping and services;
 - C.5. Obligations for acceptance of bills of exchange for payment and withdrawal of own bills;
 - C.6. Obligations towards economically connected firms;
 - C.7. Obligations for taxes and social deductions;
 - C.8. Other obligations.
- Ch. Items that limit the accounting of expenses and income between consecutive reporting periods.
- D. Final (balance amount).

122.4. If the legal entity does not have property objects or liabilities that can be attributed to one of the specified items, that item may not be shown in the balance sheet. If the property object or liability corresponds to several items of the balance, it is noted that they belong to other items as well in the item to which they are indicated. The relevant amount for the end of the previous business year is shown in a separate column for each item in the balance sheet.

122.5. The costs incurred for the activation and expansion of the economic activity of a legal entity, if they cannot be used in the balance sheet, can be included in the assets as a balance subsidy. That item called "expenses of starting and expanding business" is shown in the balance sheet against the fixed capital and is explained in the appendix. If such items are shown on the balance sheet as assets, the profit can be distributed only if the reserves from the profit remaining after the distribution and which can be cashed at any time are not less than the valuation amount, plus the carried forward profit and deducting the carried forward loss.

122.6. Shares invested in other companies and intended for the service of the legal entity's own activities due to long-term relationships with those companies are considered participation in those companies. At this time, it is not important whether that participation is confirmed by securities or not. In case of doubt, shares invested in joint-stock companies, the nominal amount of which constitutes one fifth of the nominal capital of that company as a whole, are considered as participation.

122.7. Loans granted by a legal entity to third parties or economically related firms for a long period, but for a period of at least two years from the moment of issuance, are considered investments. For transfer from one document to another as a deposit, only the pre-determined term of the loan is taken as a basis.

122.8. The capital that limits the liability of partners to creditors for the obligations of a legal entity according to the statute is considered specified capital. Undisbursed funds on the specified capital are shown separately in assets before the main capital and are named accordingly; including given yeasts are mentioned. When equity is depleted as a result of a loss and liabilities exceed assets, that amount is shown separately in assets at the end of the balance sheet under the name "deficit not covered by equity".

122.9. The following are shown as capital reserves:

122.9.1. When issuing shares of a legal entity, the amount received in excess of the nominal amount, including newly issued shares;

122.9.2. the amount obtained when issuing conversion and option debt bonds for the acquisition of shares of a legal entity;

122.9.3. the amount of additional payments made by partners for preferences for their shares;

122.9.4. the amount of other payments above the nominal amount made by the partners without the right to return to capital of the company in accordance with the profits obtained.

122.10. In accordance with the legal instructions, the charter or the relevant decision of the partners, the amounts set a from the annual surplus after deducting the taxes are considered to be set aside from the profit.

Article 123. Calculation of profit and loss



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~~123.1.2. an increase or decrease in the availability of finished goods and work-in-progress;~~

~~123.1.3. capitalized product of own production;~~

~~123.1.4. total balance;~~

~~123.1.5. costs of raw materials, auxiliary and work materials, goods and services;~~

~~123.1.6. salary and social insurance costs;~~

~~123.1.7. amortization deductions for intangible property objects of fixed capital and expenses incurred for the activation of economic activity, transferred to assets;~~

~~123.1.8. other production costs;~~

~~123.1.9. the results of the enterprise's economic activity;~~

~~123.1.10. income from equity participations, including economically related firms;~~

~~123.1.11. income on fixed capital securities and investments;~~

~~123.1.12. other interest and similar income;~~

~~123.1.13. amortization deductions for financial investments and working capital securities;~~

~~123.1.14. interest and similar costs;~~

~~123.1.15. results of ordinary economic activity;~~

~~123.1.16. extraordinary income;~~

~~123.1.17. extraordinary expenses;~~

~~123.1.18. taxes on income;~~

~~123.1.19. other taxes;~~

~~123.1.20. annual surplus or annual deficit.~~

~~123.2. If the costs or revenues related to one of the items of the profit and loss account of the legal entity have not been generated, this item may not be shown. If the expenses and incomes of the legal entity are not shown in the profit and loss account for the previous year in the item where the same type of expenses and incomes are indicated, then this is recorded in the profit and loss account by indicating the amount related to those items, and if it is a matter of significant amounts for the result of the economic activity of the legal entity, in the appendix is explained.~~

~~123.3. Increases or decreases in capital reserves or allocations from profit to reserves are shown in the profit or loss account only after the item "annual surplus" or "annual deficit".~~

~~123.4. Instructions on individual items of the profit and loss account.~~

~~123.4.1. income from turnover - income from the sale and rental or leasing of products and goods typical for the ordinary economic activity of a legal entity, as well as from the provision of services typical for the ordinary economic activity of a legal entity, minus the reduction of income (for example, bonus, discounts) and income from turnover.~~

~~123.4.2. changes in availability - changes in both quantity and value of resources; but only depreciation deductions if not higher than the legal entity's ordinary depreciation deductions;~~

~~123.4.3. unscheduled depreciation allowances, as well as depreciation allowances, are shown separately or noted in the appendix, respectively. The incomes and expenses or transferred profits, which are related to the passing of the loss and received under the agreement on the allocation of profit or the agreement on the allocation of a part of the profit, are shown separately under the appropriate names;~~

~~123.4.4. The items "extraordinary income" and "extraordinary expenses" indicate income and expenses generated outside the normal economic activity of a legal entity. If the indicated amounts are of great importance for the characterization of profitability, an explanation of the amount and type of those items is given in the appendix. The above provisions are also valid for incomes and expenses related to other economic years;~~

~~123.4.5. Amounts that a legal entity pays or has to pay as a taxpayer are shown as taxes.~~

~~Article 124. Addition to the annual balance sheet of a legal entity~~

~~124.1. In addition to the annual balance of a legal entity, an appendix is drawn up and explanations of the balance are given in this appendix. The balancing and evaluation methods used during the preparation of the annual balance sheet are interpreted as fully as necessary to get the most accurate picture of the property status and profitability of the legal entity. Deviations from the balancing and valuation methods used in the previous final balances are indicated and justified, as well as their impact on the property situation, financial situation and profitability of the legal entity is characterized. The appendix indicates whether interest is received on the debt capital. Unscheduled depreciation deductions are explained and justified.~~

~~124.2. Obligations for the endorsement and transfer of bills of exchange, guarantees, guarantees for bills of exchange contracts, as well as the liability for providing guarantees for other obligations are noted in the appendix.~~

the balance sheet is shown; they are also subject to long-term obligations, and the value of the costs of the legal entity until the next period of termination of the contract is given. ✓

124.3. Then, the total amount of maintenance of all persons responsible for management (salaries, profit sharing, reimbursement of expenses, insurance payments, commission wages and any additional fees), as well as payment of labor of members of supervisory bodies should be indicated in the attachment. These totals also include charges incurred in retention but not paid and converted to other types of claims or used to raise other claims. In addition to payments for storage during the year of the farm, there are other payments that, although made during the year of the farm, have not yet been shown in any annual balance sheet. If the persons responsible for the management of the affairs of the legal entity receive payments for their activities for the legal entity itself or for their activities as legal representatives or as servants of one of the legal entities economically connected with the legal entity, these amounts are shown separately. Then, total amounts of payments (repentance fees (compensations), pensions, bereavement pensions and similar services) to persons who were previously responsible for the management of the legal entity's affairs are shown. If those persons or their relatives after their death receive compensations or pensions from the economically connected legal entity, these are shown separately.

124.4. In addition, in the attachment, if the legal entity has been informed about it, the existence of a participation share in the legal entity is indicated; in this case, it is indicated to whom the share belongs and whether it is more than a quarter of the specified capital of the legal entity or whether several people have a share. In addition, legal and business relations with economically connected legal entities located in the country, as well as trade transactions carried out in these legal entities and which can have a significant impact on the status of the legal entity, are indicated.

124.5. The attachment must comply with the principles of honest and fair reporting. If, for reasonable commercial reasons, disclosure of detailed information would cause significant harm to a legal entity or an economically related legal entity, this information may not be disclosed to the extent that such harm is likely to occur. If the information is not disclosed according to the instructions on the protection of economic activity secrets, in the paragraph where they should be indicated in the attachment, it is mentioned that the protection reservation has been applied to the information of this paragraph.

124.6. In the attachment, the surnames and at least one full name of all persons responsible for the management of the affairs of the legal entity and all members of the supervisory bodies, as well as all persons who left during the financial year or later, are indicated. The chairman of the body, which includes the persons responsible for managing the affairs of the legal entity, and the chairman of the supervisory body are shown as themselves.

~~Article 125. Report on the state of affairs~~

Legal entities whose volumes are higher than those specified in Article 122.1 of this Code must prepare a report on the state of affairs. In the report, at least until the moment when the annual report is drawn up, the course of affairs and the property situation of the legal entity should be reflected, and it should also be reflected in such a way as to obtain a picture corresponding to the actual situation. The report on the state of affairs should focus on the special significant operations carried out until the end of the business year, as well as indicate the likely development of the legal entity in the current year and, if possible, in the next business year.

~~Article 126. Audit~~

126.1. In the cases required by this Code and in general, the annual balance of each legal entity, including the attachment, whose volumes are higher than those specified in Article 122.1, must be checked by the auditor. The auditor must prepare a written report on the results of the inspection. In the report, it should be specially noted whether the accounting, annual balance sheet and appendix are in accordance with the legal instructions and whether the legal representatives of the legal entity have provided the explanations and supporting documents required by the auditor. The auditor must sign the report and submit it to the persons responsible for managing the affairs of the legal entity.

126.2. If there are no objections to the final result of the audit, the auditor must confirm it with the following note: "The audit I conducted (we conducted) in connection with my duty of care determined that the accounting and the annual balance are in accordance with the legal instructions and the provisions of the charter. From the point of view of the necessary accounting, the annual balance is legal creates a picture of a person's property, financial situation and income that corresponds to actual relations". If it is necessary to make additional notes, then the confirmation note is completed so as not to give a false impression about the content of the inspection and the meaning of the confirmation note. If there are objections, the auditor either red or rejects the confirmation note.

126.3. The annual balance is not accepted unless verified. If the persons responsible for the management of the legal entity's affairs change the annual balance sheet or the appendix after the audit report has been submitted to the auditor then the auditor should examine the annual balance sheet and the appendix, if the change requires it. The auditor shall in the report

~~126.4. The auditor of the annual balance is elected by the meeting of members of the legal entity. The auditor is elected until the end of the financial year, which he has to audit accordingly. Immediately after the election, the persons responsible for the management of the affairs of the legal entity must give an audit task to the auditor.~~

~~126.5. Independent auditors and auditing organizations that have received permission to engage in auditing activities in the Republic of Azerbaijan can become auditors. Persons who have shares in a legal entity, directly, indirectly or as managers of other people's property, or who have participated in activities that go beyond the scope of their audit during the preparation of the books of the legal entity or the annual balance sheet of the legal entity that must be audited, cannot be auditors of the legal entity.~~

~~126.6. The auditor, his assistants and representatives of the audit firm participating in the audit must conduct the audit honestly and impartially and must maintain confidentiality. They cannot use the business secrets known to them during work. Those who knowingly or negligently violate their duties are obliged to compensate the legal entity for the resulting damage.~~

~~Article 127. Storage of documents of legal entities~~

~~127.1. The following documents are kept separately for ten years:~~

~~127.1.1. business books, inventory lists, initial balances, final balances, including reports on the state of affairs, all business orders necessary for their understanding are also included in these;~~

~~127.1.2. copies of incoming business correspondence and sent business correspondence;~~

~~127.1.3. primary documents for book-to-book transfer (supporting accounting documents);~~

~~127.2. The storage period starts from the end of the calendar year in which the last registration was made in the relevant business book, the inventory list was drawn up, the initial or annual balance was accepted, the business letter was received or sent, or the supporting document was created.~~

~~Article 128. Submission of documents of a legal entity~~

~~128.1. The legal representatives of the legal entity must perform all the tasks that a legal entity must perform in connection with the compilation of business books, the inventory list, as well as the annual balance sheet. If several persons are responsible for this, each of them is obliged to carry out the provisions of the first sentence.~~

~~128.2. In the event of legal disputes, the court may request submission of the documents specified in Articles 127.1.1, 127.1.2 and 127.1.3 of this Code from one of the parties based on the application or at its own discretion. When such documents are presented in a legal dispute, their content, if it touches the subject of the dispute, is reviewed with the involvement of the parties and, if necessary, extracts are made. The rest of the contents of the books shall be opened before the court to the extent necessary to verify whether they are properly drawn up or not. In case of property disputes, including inheritance and property division, the court may order the production of the commercial books in order to familiarize themselves with their full contents.~~

[KM1](#) Article 133.1 of the Civil Code of the Republic of Azerbaijan was deemed invalid due to its non-compliance with Articles 58, 59 and Part II of Article 71 of the Constitution of the Republic of Azerbaijan.

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" and amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (Paragraph 5 of Chapter 4 was removed by **the Legislative Collection of the Republic of Azerbaijan, No. 8, Article 693 of 2005** . The previous version of the paragraph read:

§5. State register of legal entities

~~Article 129. Keeping the state register of legal entities~~

~~129.1. The state register of legal entities is maintained by the relevant executive authority in a centralized manner by years and by each administrative territorial unit of the Republic of Azerbaijan , as well as by other criteria . If necessary, branches of the state register of legal entities can be established.~~

~~129.2. For the purpose of registering legal entities, all applications are submitted to the body that maintains the state register of legal entities.~~

~~Article 130. Facts to be recorded and documents to be kept~~

~~130.1. The following information should be indicated in the article related to the registration of legal entities in the register:~~

~~130.1.1. name of the legal entity (firm);~~

~~130.1.2. residential area where the legal entity is located;~~

~~130.1.3. organizational-legal form of a legal entity;~~

~~130.1.4. fiscal year.~~

130.2. In the limited partnership, in addition to the above, information on the amount of yeast of each limited partner should be indicated. ✓

130.3. In addition to the above, in a limited liability company or a joint-stock company, information on the amount of capital, the amount of capital of each founder, and in the event that a supervisory board is established, the surname, first name, patronymic and place of residence of each of its members must be indicated.

130.3-1. Other information provided by the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities" should also be reflected in the state register.

130.4. Each subsequent factual change of the registered fact must be submitted for registration in the state register of legal entities. The change enters into legal force only from the moment it is registered in the state register of legal entities.

130.5. The relevant executive power body may require persons who do not fulfill the duties of providing necessary information for registration or submitting documents to the state register of legal entities to perform these duties.

~~Article 131. Application for registration of legal entities~~

131.1. The application for registration of a legal entity in the state register is submitted in the form of a signed written original and one copy. The relevant executive authority confirms receipt of the application with a copy.

131.2. During the registration of legal entities, the relevant executive authority is obliged to check whether the conditions set for the registration of a specific type of legal entity are met.

131.3. All founders must sign the application for registration of a legal entity.

131.4. The application for the registration of a legal entity, as well as the documents for storage, are submitted by the legal representatives of the legal entity. When submitting the application and documents for storage, the legal representative confirms the correctness of the facts registered and the documents submitted for storage. The signature of the legal representative in the application, as well as certain signature lines given to the relevant executive power body for storage, must be certified by a notary.

~~Article 132. Entries in the state register of legal entities and publication of registration~~

132.1. The registered legal entity is registered in the state register of legal entities, and the documents submitted for registration are submitted to the archive.

132.2. After registering the legal entity, the relevant executive authority must send the extract from the state register of legal entities to the applicant. The applicant must check the extract from the state register of legal entities and, if he finds an error, he must immediately inform the relevant executive authority in writing.

132.3. If, within three weeks after sending the extract, the applicant does not provide information about the finding of an error, the entry in the state register of legal entities is published in the state newspaper of the Republic of Azerbaijan.

132.4. If a legal entity provides false information for the purpose of registration, the founders and partners of the legal entity as joint debtors:

132.4.1. must pay fees that may be missing;

132.4.2. except for the expenses incurred for the creation of a legal entity, they must compensate for the fees they receive;

132.4.3. they must pay for the other damage caused.

~~Article 133. Removal of a legal entity from the state register~~

133.1. When a legal entity is liquidated and after liquidation measures are implemented, an application must be submitted to the relevant executive authority of the Republic of Azerbaijan in order to remove it from the state register in accordance with the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities".

133.2. The relevant executive power body of the Republic of Azerbaijan adopts a decision on the removal of a legal entity from the state register in accordance with the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities" and informs the persons who have applied for it. Appropriate entries are made in the register about the liquidation of a legal entity.

~~Article 134. Publicity of the state register of legal entities~~

Any person has the right to inspect the state register of legal entities and request an extract from the register and copies of documents submitted for registration. The existence of a legal entity and a person authorized to represent it can be confirmed by a registration certificate. At the request of the interested person, the relevant executive authority must issue a certificate that legal entity is registered or not.

[188]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities" of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan"

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[\[189\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the second sentence of Article 135.1, **documentary** was added after the word **and**

[\[190\]](#) Law of the Republic of Azerbaijan [No.1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) to the second sentence of Article 135.4, the words **"(which cannot be separated from it)"** after the word **which** and the third sentence was added with a new content.

[\[191\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence in Article 135.5 of the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) A third sentence has been added to the article. The previous edition of the article stated:

~~"135.5. All things that cannot be attributed to immovable things are considered movable things. The legal status of movables also applies to securities and non-property subjective rights, including patents, trademarks and copyrights."~~

[\[192\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"**Except for cases related to independent construction**" were added to the beginning of the second sentence of Article 135.10

[\[193\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 137 was removed from the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~Article 137. **Intangible property benefits**~~

~~Claims and rights that can be transferred to others or are intended to give the owner the right to a material benefit or to demand something from others are intangible property benefits.~~

[\[194\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), in Article 139.2, the word **"Immovable"** was replaced by the word **"Moveable"**

[\[195\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 139.3 was added to the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[\[196\]](#) New by the Law of the Republic of Azerbaijan No.672-IVQD dated May 31, 2013 ("Respublika" newspaper, June 29, 2013, No. 138; Legislative Collection of the Republic of Azerbaijan, 2013, No. 06, Article 620) Article 139.4 was added to content.

[\[197\]](#) Law of the Republic of Azerbaijan [327-VIQD dated May 25, 2021](#) ("Azerbaijan" newspaper, June 22, 2021, No. Legislative Collection of the Republic of Azerbaijan, 2021, No. 6, Book I, Article 556) and in Article 139-1.1.2, after word **protocol**, the words **"protocol on acquisition of the subject of mortgage by the mortgagee"** were added the on was declared not to have taken place.

of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in Article 139-1.1.3, the word "apartment" was replaced by the words "real estate" ✓

[199] With the Law of the Republic of Azerbaijan [No.1197-IVQD dated February 24, 2015](#) ("Respublika" newspaper, March 20, 2015, No. 063, Legislative Collection of the Republic of Azerbaijan, 2015, No. 3, Article 254) In Article 139-1.1.5, the words "Until the entry into force of the Law of the Republic of Azerbaijan on the state register of immovable property" were replaced by the words "until July 6, 2006".

With the Law of the Republic of Azerbaijan [No. 198-VIQD dated November 20, 2020](#) ("Azerbaijan" newspaper, December 26, 2020, No. 273, Legislative Collection of the Republic of Azerbaijan, 2020, No. 12, Book I, Article 1423) From Article 139-1.1.5, the words "including land plots, buildings and facilities, residential and non-residential areas, private residences and garden houses, underground areas, forests, perennial plantings, and property complexes" removed.

[200] By the Law of the Republic of Azerbaijan [No.1197-IVQD dated February 24, 2015](#) ("Respublika" newspaper, March 20, 2015, No. 063, Legislative Collection of the Republic of Azerbaijan, 2015, No. 3, Article 254) After the words "warrants in Article 139-1.1.7 excerpt from the minutes of the member's meeting or the membership book issued according to the list of members of the collective horticultural cooperative farm" were added.

[201] Law of the Republic of Azerbaijan No.201-IVQD dated September 30, 2011 ("Respublika" newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1073) added Article 139-1 in new content.

139-1.1 with the Law of the Republic of Azerbaijan [No. 1197-IVQD dated February 24, 2015](#) ("Respublika" newspaper, March 20, 2015, No. 063, Legislative Collection of the Republic of Azerbaijan, 2015, No. 3, Article 254) In Article 8, the words "on the legal use of the objects" were replaced by the words "confirming the acquisition of rights over the objects".

[202] By the Law of the Republic of Azerbaijan [No.1197-IVQD dated February 24, 2015](#) ("Respublika" newspaper, March 20, 2015, No. 063, Legislative Collection of the Republic of Azerbaijan, 2015, No. 3, Article 254) Articles 139-1.1.9, 139-1.1.10, 139-1.1.11 and 139-1.1.12 have been added in the new content.

[203] Law of the Republic of Azerbaijan [No.881-VQD dated November 17, 2017](#) ("Azerbaijan" newspaper, December 6, 2017, No. 269, Legislative Collection of the Republic of Azerbaijan, 2017, No. 7, Book I, Article 2239) to Article 139-1.1.10.2, by "registered mail or directly" were added after the word "authority".

139-1.1 with the Law of the Republic of Azerbaijan [No. 1060-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, May 6, 2018, No. 102, Legislative Collection of the Republic of Azerbaijan, 2018, No. 5, Article 851) In Article 10.2, the words "residential houses" have been replaced by the words "construction objects".

139-1.1 with the Law of the Republic of Azerbaijan [No. 130-VIQD dated June 12, 2020](#) ("Azerbaijan" newspaper, July 21, 2020, No. 141, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 843) In Article 10.2, the words "to the relevant executive authority" were replaced by the words "to the body (institution) informed about the construction".

[204] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), Article 140 has been revised. The previous edition of the article stated:

~~Article 140. State register of immovable property~~

~~140.1. Rights to immovable property are registered in the state register of immovable property drawn up by the relevant executive authority.~~

~~140.2. The state register of immovable property consists of the following:~~

~~140.2.1. master register with accompanying plans, drawings and lists;~~

~~140.2.2. magazine where real estate is described.~~



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Azerbaijan and related legal regulation issues" AzerbaijanArticle 141of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**)The previous edition of the article stated: ✓

~~Article 141. Contents of the state register of real estate~~

~~141.1. The state register of immovable property includes all immovable property and property rights related to it.~~

~~141.2. In the state register of immovable property, each independent immovable property must have its own section and number.~~

~~141.3. The owner can combine several independent immovable properties and register them as one item with one number in the state register of immovable property.~~

~~141.4. In each section and special chapters, the following should be recorded:~~

~~141.4.1. ownership;~~

~~141.4.2. servitudes and encumbrances of land plots;~~

~~141.4.3. the right of inheritance to construction;~~

~~141.4.4. mortgages.~~

~~141.5. In the state register of real estate, real estate is registered and described on the basis of cadastre.~~

~~141.6. If the immovable property is located in the territory of several administrative territorial units, it should be limited according to the boundaries of the administrative territorial units.~~

[\[206\]](#)

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 142 was removed bythe Law of the Republic ofAzerbaijanThe previous edition of the article stated:

~~Article 142. Fee for real estate registration~~

~~142.1. A state fee established by law is charged for registration in the state register of immovable property and for the related interest collection works.~~

~~142.2. The state is responsible for any damage related to the compilation of the state register of immovable property. If the relevant executive authority, which compiles the state register of immovable property, is guilty of improperly maintaining the register, the state becomes a regressor against that authority.~~

[\[207\]](#)

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 143 was removed bythe Law of the Republic ofAzerbaijanThe previous edition of the article stated:

~~Article 143. Control over the compilation of the state register of real estate~~

~~The compilation of the state register of immovable property should be regularly monitored. Complaints about incorrect compilation of the state register of immovable property or incorrect entries are submitted to the court.~~

[\[208\]](#)

Withthe Law of the Republic of AzerbaijanNo.494-VQDdatedDecember 30, 2016("Azerbaijan" newspaper, February 7, 2017, No. 27,Legislative Collection of the Republic of Azerbaijan, 2017, No. 02, Article 153)In the second sentence of Article 144.1,after the wordnotaryor other officials who have the right to perform such notarial acts in the cases established by law" were added, and in the third sentence, the words "He approvedwere replaced by the words"They approved

[\[209\]](#)

Law of the Republic of Azerbaijan No.201-IVQD datedSeptember 30, 2011("Respublika" newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, article 1073)and the fourth sentence was added to article 144.2 with a new content.

144.2 of the Law of the Republic of Azerbaijan [No. 494-VQD dated December 30, 2016](#) ("Azerbaijan" newspa February 7, 2017, No. 27, Legislative Collection of the Republic of Azerbaijan, 2017, No. 02, Article 153) in the fourth sent of the article, in the second sentence of article 144.3 and in the first sentence of article 148.3, after the word " notary " the wor or other officials who have the right to perform such notarial act in the cases established by law " were added.

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144.2-1 with the Law of the Republic of Azerbaijan [No. 879-IVQD dated December 27, 2013](#) (" Respublika " newspaper, February 5, 2014, No. 24, Legislative Collection of the Republic of Azerbaijan, 2014, No. 2, Article 96) In the article, the word " then " was replaced by the words " **immediately after it through information systems** " and the word " and " was added after the word " **during** ".

144.2-1 of the Law of the Republic of Azerbaijan [No. 918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) Article is given in a new edition.

the previous editorial said:

~~144.2-1. A notary public or other officials who have the right to perform such notarial actions in the cases established by law, immediately after confirming the agreement on the disposal of real estate objects of the state register, send it in electronic form through information systems, and within two working days , send a copy of the agreement by registered mail. sends it to the relevant executive authority.~~

-

Law of the Republic of Azerbaijan [No. 651-VIQD dated November 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 14, 2023, "Azerbaijan" newspaper January 15, 2023 , No. 9 , Azerbaijan The Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 7) and Article 144.2-1, in accordance with the Law of the Republic of Azerbaijan "On Notary", the possibility of exchanging information and documents between notaries and the state register of immovable property, including notaries' registration of immovable property the words "direct access to the state register must be ensured electronically " were replaced by the words " **provided in accordance with Article 148.3 of this Code** " .

[\[211\]](#)

Law of the Republic of Azerbaijan No. 639-IIQD dated April 20, 2004 "On making changes to some legislative acts of the Republic of Azerbaijan and considering some legislative acts invalid" ([Legislative collection of the Republic of Azerbaijan, 2004, No. 5, Article 318](#)) and in Article 144.3, the words "immediately after the notary" were replaced by the words "then the notary in the manner established by this Code".

According to the Law of the Republic of Azerbaijan No. 100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)), in Article 144.3, after the word " notary ", " **gives two copies of the contract to the applicant and or at his request** , the words " **the application with relevant supporting documents**" shall be added, the words " **the application of the acquirer of rights approved by a notary, the contract, documents reflecting other bases provided by law for the state registration of rights, the plan and size of the land plot, the building located on the land plot , equipment, buildings and other immovable property (their constituent parts) technical passport, plan and receipt for the payment of the state fee with the words " obliged to give** ", the words "obliged to give" were replaced by the word " **sends** ".

Law of the Republic of Azerbaijan No. 201-IVQD dated September 30, 2011 ("Respublika" newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislative Collection of the Republic of Azerbaijan, 2011 year, No. 12, Article 1073) and Article 144.3 have been revised.

The previous editorial said:

~~144.3 After the notarial confirmation, the notary shall give two copies of the contract to the applicant or, at his request, the notarially approved application of the acquirer of rights regarding the registration of real estate in the state register in accordance with the procedure established by this code, in accordance with the contract, other grounds provided by law for state registration of rights. documents, the plan and size of the plot of land, the technical passport of the building, equipm buildings and other immovable property (their constituent parts) located on the plot of land, the plan and the receipt for payment of the state fee are sent to the relevant executive authority.~~

Article 144.3 of the Law of the Republic of Azerbaijan [No. 879-IVQD dated December 27, 2013](#) (" Respublika " newspa February 5, 2014, No. 24, Legislative Collection of the Republic of Azerbaijan, 2014, No. 2, Article 96) in the sec

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144.3 of the Law of the Republic of Azerbaijan [No. 804-IVQD dated October 29, 2013](#) (" Respublika " newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) and in the second sentences of Articles 146.4, the word " receipt " was replaced by the word " document ".

144.2-1 with the Law of the Republic of Azerbaijan [No. 494-VQD dated December 30, 2016](#) ("Azerbaijan" newspaper, February 7, 2017, No. 27, Legislative Collection of the Republic of Azerbaijan, 2017, No. 02, Article 153) In the first sentences of Articles 144.3 and 144.3, after the word " Notary ", the words " or other officials who have the right to perform such notarial acts in the cases established by law " were added.

144.3 of the Law of the Republic of Azerbaijan [No. 918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) the article is given in a new edition.

the previous editorial said:

~~144.3. The notary or other officials who have the right to perform such notarial acts in the cases established by law give two copies of the approved contract to the applicant. At the request of the applicant, a notary public or other officials who have the right to perform such notarial actions in the cases established by law, the contract of the notarially approved application of the acquirer of rights regarding the registration of real estate in the state register (if necessary – provided for in Article 139-1 of this Code documents reflecting other grounds for the state registration of acquired rights), the plan and size of the land plot, the technical passport of the building, equipment, buildings and other immovable property (their constituent parts) located on the land plot, together with the plan-drawing and the document on the payment of the state fee on the day the application is approved through information systems in the form, and within two working days, it sends those documents to the relevant executive authority by registered mail (in this case, the provisions of Article 144.2-1 of this Code regarding sending a copy of the contract do not apply). A copy of that application is given to the person applying for the notarial confirmation of the contract.~~

Law of the Republic of Azerbaijan [No. 651-VIQD dated November 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 14, 2023, "Azerbaijan" newspaper January 15, 2023 , No. 9 , Azerbaijan The Legislative Collection of the Republic, 2023, No. 1, Article 7) and Article 144.3 have been revised .

the previous editorial said:

~~144.3. Immediately after the notary approves the agreement on the disposal of real estate, he must send it to the state registry of real estate in electronic form through information systems and in certified written form by registered mail. Such an agreement is considered an application for registration of ownership and other material rights arising from it in the state register of immovable property, and the relevant rights are registered on the basis of that agreement.~~

[212]

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) Article 144.5 has been revised.

the previous editorial said:

~~144.5. If the supporting documents for the disposal of the objects of the state register of real estate are not submitted, the application is considered rejected. If we are talking only about the addition to the document confirming the right of disposal, then the initial registration is carried out with the consent of the owner.~~

[213]

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) Article 144-1 was added in new content.

[214]



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Azerbaijan and related legal regulation issues" AzerbaijanArticle 145 was removed by the Law of the Republic of AzerbaijanThe previous edition of the article stated:

~~Article 145. Application for registration of real estate in the state register~~

~~145.1. Applications for registration in the state register of immovable property shall be entered in the application log without delay in their chronological order, indicating the applicant and his request.~~

~~145.2. Documents used as the basis for registration in the state register of immovable property are systematized and stored according to their purpose.~~

[215]

The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 146 of the Code the text of the article is given in the new edition. The previous edition of the article stated:

~~The right to immovable property originates from the date of registration of immovable property in the state register. The content of the registered right can be confirmed by documents or otherwise.~~

[216]

In Article 146.3 of the Law of the Republic of Azerbaijan No. 100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)), the words "contracts" and "contracts" are respectively " contracts" and the words "contracts" have been replaced.

The second paragraph of Article 146.3 was added by the Law of the Republic of Azerbaijan No. 234-IIIQ dated February 1, 2007 ([Legislative Collection of the Republic of Azerbaijan, 2007, No. 2, Article 80](#)) .

[217]

Law of the Republic of Azerbaijan No.100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)) in Article 146.4, first sentence, "starting from the day the contract is applied for" not earlier than five days and not later than seven days, and the words "agreement" are replaced by the word "agreement", the words "registration of the contract" are replaced by the words "registration of the right", the words "applies with a notarial application" are "the person who applied" "sends a notarized application" was replaced by the words "notary" and the words "gives two copies of the contract to the applicant or at his request" were added,

the second sentence is given in the new edition.

The previous sentence said:

~~A copy of the contract and documents reflecting the technical specifications of the real estate are attached to the application.~~

in the third sentence, replace the word "Notarial" with the word "That", and the word "agreement" with the word "contract".

146.4 of the Law of the Republic of Azerbaijan [No. 879-IVQD dated December 27, 2013](#) (" Respublika " newspaper, February 5, 2014, No. 24, [Legislative Collection of the Republic of Azerbaijan, 2014, No. 2, Article 96](#)) item has been cancelled.

[218]

By the Law of the Republic of Azerbaijan No.100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)), "notary" was removed from Article 146.5

[219]

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, [Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142](#)) Article 146.6 has been repealed.

[220]

By the Law of the Republic of Azerbaijan No.100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)), "notary" was removed from Article 146.7

[221]

In Article 146.8 of 100-IIIQD dated April 21, 2006 ([Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478](#)), "contracts" and "agreement" are respectively "contracts" and "contract" have been replaced by words

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the article , after the word " notary " , the words "other officials who have the right to perform such notarial actions in the cases defined by law " were added. ✓

[222]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 147 ofthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~Article 147. Advance registration~~

~~147.1. The right to immovable property can be pre-registered in the state register of immovable property in the following cases:~~

~~147.1.1. to ensure the registered right;~~

~~147.1.2. if the supporting documents submitted with the application for registration are incomplete and it is necessary to complete them;~~

~~147.2. Pre-registration is done with the consent of all applicants so that if the right to immovable property is determined later, it will be effective from the moment of pre-registration of immovable property.~~

~~147.3. Restrictions on the right to dispose of objects of the state register of immovable property may be noted in advance in the state register of immovable property. From the moment they are pre-registered, they take effect over any rights acquired later.~~

~~147.4. The relevant executive authority, which has the authority to impose restrictions on the use or disposal of immovable property, must ensure that the restrictions it determines are recorded in the state register of immovable property.~~

~~147.5. The relevant executive authority, which compiles the state register of immovable property, must inform interested persons about restrictions on the use of immovable property or its disposal, which are determined without their knowledge. The time limits for filing an appeal against such restrictions shall be counted from the moment of receipt of the notification of the restriction.~~

147 of the Law of the Republic of Azerbaijan [No. 918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) the article is given in a new edition.

In the previous edition it was said:

Article 147. Advance registration

-

~~147.1. Prior registration in the state register of immovable property may be carried out in order to satisfy the demand for the acquisition or cancellation of the right to the plot of land or the right encumbering the plot of land, or to change the content or sequence of such a right. Pre-registration is also permitted to meet future or contingent requirements.~~

~~147.2. After pre-registration, the order issued on the plot of land or the right to it is invalid to the extent that it affects or hinders the implementation of the specified demand. The same rule applies even if the order is issued in the order of mandatory execution or arrest.~~

~~147.3. The priority of the request aimed at obtaining the right is determined by the time of submitting the application to the registry regarding the request for advance registration.~~

[223]

Article 148.1 was revisedthe Law of the Republic of Azerbaijan No.100-IIIQDdated April 21, 2006Legislative Collection of the Republic of Azerbaijan, 2006, No. 6, Article 478)

The previous editorial said:

~~148.1. The state register of real estate must be open to all. Any interested person can get acquainted with the section the state register of real estate that are of interest to him, as well as all the documents related to these sections, as well as req extracts from them, in the presence of the official of the relevant executive body that compiles the state register of real estate.~~

[224]

Law of the Republic of Azerbaijan [No. 651-VIQD dated November 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 14, 2023, "Azerbaijan" newspaper January 15, 2023 , No. 9 , Azerbaijan Article 148.2-1 was repealed by the Legislative Collection of the Republic, 2023, No. 1, Article 7) .

[\[225\]](#) By the Law of the Republic of Azerbaijan [No.879-IVQD dated December 27, 2013](#) ("Respublika" newspaper, February 5, 2014, No. 24, Legislative Collection of the Republic of Azerbaijan, 2014, No. 2, Article 96) Article 148.3 has been added.

Article 148.3 of the Law of the Republic of Azerbaijan [No. 405-VQD dated November 11, 2016](#) (" Azerbaijan " newspaper, December 16, 2016, No. 279 , Legislative Collection of the Republic of Azerbaijan, 2016, No. 12, Article 2018) After the word " notary " , the words "other officials performing notarial actions " were added to the article.

148.3 of the Law of the Republic of Azerbaijan [No. 797-VQD dated October 2, 2017](#) ("Azerbaijan" newspaper, November 11, 2017, No. 248 , Legislative Collection of the Republic of Azerbaijan, 2017, No. 11, Article 1953) the words " other officials performing notarial acts " were removed from the article.

Law of the Republic of Azerbaijan [No. 651-VIQD dated November 29, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 14, 2023, "Azerbaijan" newspaper January 15, 2023 , No. 9 , Azerbaijan The Legislative Collection of the Republic, 2023, No. 1, Article 7) and Article 148.3 have been revised .

In the previous edition it was said:

~~148.3. Description of the immovable property, reference to the rights registered on this property in the state register of immovable property and their limitation (encumbrance) in the cases and in the order established by law, notary or other officials who have the right to perform such notarial act in the cases established by law, other officials who perform notarial acts obtained by officials from the state register of real estate in real time through electronic information systems.~~

[\[226\]](#) With the Law of the Republic of Azerbaijan [No.192-VQD dated April 5, 2016](#) ("Azerbaijan" newspaper, April 30, 2016, No. 92, Legislative Collection of the Republic of Azerbaijan, 2016, No. 4, Article 646) Article 48.4 has been added.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 148.4, the words " financial market control body " were removed.

[\[227\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 149.1 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~149.1. Registration of rights to immovable property without a legal basis or based on an invalid contract is considered an unjustified registration. If the registration of rights to immovable property is unfounded, a third party who knows or should know about it cannot rely on that registration. A person whose rights have been violated as a result of such registration can directly file a claim against a dishonest third party.~~

[\[228\]](#) The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 150.1 of the Code the first sentence of the article is given in the new edition. The previous edition of the article stated:

~~If the registration loses all legal meaning when the immovable property is destroyed, the interested person can request the cancellation of the registration.~~

[\[229\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 151 was removed by the Law of the Republic of Azerbaijan

[\[230\]](#) With the Law of the Republic of Azerbaijan [No.1329-IVQD dated September 30, 2015](#) ("Respublika" newspaper, October 1, 2015, No. 24, Legislative Collection of the Republic of Azerbaijan, 2015, No. 2, Article 96) Article 148.3 has been added.

[231]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 157.3 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~157.3. When the property is acquired in return from a person who does not have the right to alienate it, and the acquirer does not know and cannot know this (honest owner), the owner can demand from the acquirer of this property only if the property is lost by the owner himself or by the person whom the owner has given possession of, or each of them stolen from any of them or otherwise removed from their possession against their will. If the property is acquired free of charge from a person who has no right to expropriate it, the owner can demand the property in all cases. Money, as well as untitled securities, cannot be claimed back from the bona fide acquirer.~~

[232]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 157.5 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

Article 157.5 of the Law of the Republic of Azerbaijan No. 950-IIIQD dated February 1, 2010 ("Azerbaijan" newspaper, February 24, 2010, No. 43, Legislative Collection of the Republic of Azerbaijan, 2010, No. 2, Article 75) in the first sentence, the words " subpoena " have been replaced by the words " court notice ".

[233]

The Law of the Republic of Azerbaijan "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" No. 677-IIQD dated June 1, 2004 ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 6, Article 415](#)) and Article 157.9 of the Code after the word "in cases""by the relevant state body for the purpose of laying roads and other communication lines, defining the border strip or building objects of defense importance" were added to the article

Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("Respublika" newspaper, June 6, 2012, No. 123, "Azerbaijan" newspaper June 7, 2012, No. 124, Legislative Collection of the Republic of Azerbaijan, 2012 year, No. 06, Article 498) and Article 157.9 have been revised.

the previous editorial said:

~~157.9. When required by state needs or public needs, the property may be expropriated by the relevant state body for the purpose of building roads and other communication lines, defining a border strip, or building objects of defense importance only in the cases permitted by law, and only by paying the market value in advance.~~

[234]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) in Article 158.3, the word "is" was replaced by the word "is not""provided that the person acquiring the property has no encumbrance be honest." words are added.

[235]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 167 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 167. The duty of the dishonest owner to return the item~~

~~The dishonest owner of the thing must return it to its owner and pay for all the damage caused by his keeping the thing, as well as pay for the spring he got.~~

[236]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 168 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 168. The duty of the dishonest owner to return the item~~

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[237]

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) In the first sentence of Article 178.1, after the words **property right on the grounds determined by law** have been added.

[238]

June 24, 2005 No.949-IIQD "On amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 178.1 by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[239]

June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In Article 178.5 of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words "can no longer be objected to regarding that area" were replaced by the words "that person is considered the owner of this land."

[240]

June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 178.8 was added to the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

178.8 of the Law of the Republic of Azerbaijan [No. 918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) the article is given in a new edition.

In the previous edition it was said:

~~178.8. A member of an apartment, garden, garage or other cooperative, other persons entitled to a share collection, acquire ownership rights to that property when they fully pay the share fee for an apartment, garden, garage or separate facility provided by the cooperative.~~

[241]

The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123**) and Article 179.1 of the Code article is given in the new edition. The previous edition of the article stated:

~~179.1. A natural or legal person who is not the owner of immovable property, but honestly, openly and continuously owns it as his own property for ten years, acquires ownership rights to this property (acquisition period).~~

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" and amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) and Article 179.1 were removed. The previous edition of the article stated:

~~179.1. If the immovable property does not belong to anyone by ownership or if it is impossible to determine the owner of the immovable property, a natural or legal person who is not the owner of the immovable property, but has honestly, openly and continuously owned it as his own property for fifteen years, acquires the ownership right to this property. does (acquisition period).~~

[242]

Article 180.4 was added by the Law of the Republic of Azerbaijan No. 428-IIIQD dated October 9, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 10, Article 937**)

[243]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second and third sentences were added to Article 181.4 by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)



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Azerbaijan and related legal regulation issues" AzerbaijanArticle 181.5 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated: ✓

~~181.5. When a natural person dies, the right of ownership of the property belonging to him is transferred to other persons according to the will or inheritance according to the law.~~

[245]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 181.8 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated:

~~181.8. A member of an apartment, garden, garage cooperative or other cooperative, other persons entitled to share collection, acquire ownership rights to that property if they pay the share fee for the apartment, garden, garage or separate facility provided by the cooperative.~~

[246]

Withthe Law of the Republic of AzerbaijanNo.1285-IVQDdated May 15, 2015("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814)In the second sentence of Article 182.2,documentary" was addedafter the wordmoney

[247]

Law of the Republic of Azerbaijan No.669-VIQDdated December 2, 2022(official website of the Azerbaijan State Information Agency (AZERTAC),January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22)andArticle 183,the wordsfrom the moment the expropriator gives the security to the acquirerfrom the moment ownership of the security is acquired."

[248]

According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial Unit" (Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835),"minimum wage" in the appropriate cases of the noun"was replaced by the words"conventional financial unit"

Article 185.2 of the Law of the Republic of Azerbaijan No. 742-IIIQD dated December 16, 2008 ("Azerbaijan" newspaper, February 18, 2009, No. 38, Legislative Collection of the Republic of Azerbaijan, 2009, No. 02, Article 47) The words "from fifty times the amount of the conditional financial unit" were replaced by the words "from fifty-five manats" .

[249]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693the words"when the person who processes the property acquires the ownership right to the new property, he must pay the cost of the materials to the owner"from Article 188.2 . The previous edition of the article stated:

~~188.2. Unless otherwise stipulated in the contract, the owner who acquires the ownership right to the property made from his own materials must pay the cost of processing to the processor, and when the processor acquires the ownership right to the new property, he must pay the cost of the materials to the owner.~~

[250]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 191.1 was added to the Code bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[251]

Withthe Law of the Republic of AzerbaijanNo.572-VQDdatedApril 7, 2017("Azerbaijan" newspaper, April 14, 2017, No. 77, Legislative Collection of the Republic of Azerbaijan, 2017, No. 4, Article 524)In the first sentence of Article 194.2, the word is held and in such cases, the place of the first owner is taken by a third person" were added, and the second sentence was given in a new edition.

The previous editorial said:

~~In such cases, a third person takes the place of the first owner.~~



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[252]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 194.3 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[253]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 194.4 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[254]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 194.5 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

194.5 of the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the article, the word " Orderly " has been replaced by the words " Named document ".

Article 194.5 of the Law of the Republic of Azerbaijan [No. 1566-VQD dated April 23, 2019](#) ("Azerbaijan" newspaper, May 11, 2019, No. 102, Legislative Collection of the Republic of Azerbaijan, 2019, No. 5, Article 806) article is given in the new edition.

the previous editorial said:

~~194.5. The concession of the claim on *the named documentary* security is carried out by means of an endorsement on that security:~~

[255]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), Article 196 has been revised. The previous edition of the article stated:

~~Article 196. **Transfer of the means of guaranteeing the demand to someone else during the concession of the demand**~~

~~196.1. When the demand is discounted, its collateral and other related rights are transferred to the new owner.~~

~~196.2. When the debtor receives information about the concession of the claim, he can advance all the mutual claims he has against the first owner against the new owner.~~

[256]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The third sentence was added to Article 197 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

With the Law of the Republic of Azerbaijan [No. 1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) In the first sentence of Article 197 , after the word " provided ", the words " Unless otherwise provided for in the Law of the Republic of Azerbaijan on Encumbrance of Movable Property" have been added.

[257]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of Republic of Azerbaijan, 2005, No. 8, Article 693), Article 198 has been revised. The previous edition of the article

~~Article 198. **Transfer of debt**~~



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198.2. ~~The first obligor can pay the debt himself, not agreeing to this contract concluded by the claimant with the third party.~~ ✓

[\[258\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 199 has been revised. The previous edition of the article stated:

~~Article 199. Consent of the claimant to transfer the debt~~

~~If the debtor agrees with a third party to transfer the debt, the validity of such an agreement depends on the consent of the claimant .~~

[\[259\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 200 was removed from the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~Article 200. Duties of the new debtor~~

~~The new debtor can bring forward all mutual claims against the claimant arising from the relationship between the claimant and the first debtor. He cannot take into account claims belonging to the first debtor.~~

[\[260\]](#) June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 201 was removed from the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~Article 201. Termination of collateral in case of debt~~

~~When the debt is transferred, the guarantor and pledge intended to secure the claim is terminated, provided that the guarantor or pledger refuses to continue this relationship.~~

[\[261\]](#) Law of the Republic of Azerbaijan [No.1428-VQDdated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518)andin Article 205.1,before the wordcourthe words "On Encumbrance of Movable Property" were addedto the **Law of the Republic of Azerbaijan or**

[\[262\]](#) The words "or public needs" from Articles 157.9 and 207.1 ofthe Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**removed).

[\[263\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 207.2 was removed from the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~207.2. If the state body applying to the court with the demand for the purchase of real estate proves that it is impossible to use the land for the purposes for which it was purchased without terminating the ownership right to that real estate, this demand must be paid.~~

[\[264\]](#) Withthe Law of the Republic of Azerbaijan [No.1640-VQDdated July 9, 2019](#)("Azerbaijan" newspaper, July 24, 2019, No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202)The text of Article 212 is given in a : edition.

The previous editorial said:



[\[265\]](#) With the Law of the Republic of Azerbaijan [No.269-VQD dated May 31, 2016](#) ("Azerbaijan" newspaper, June 30, 2016, No. 139, Legislative Collection of the Republic of Azerbaijan, 2016, No. 6, Article 1005) In Article 218.3, the word "selleris" replaced by the word "buyer"

[\[266\]](#) Law of the Republic of Azerbaijan [No.1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) and the third sentence was added to Article 224.2 with a new content.

[\[267\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 225.6 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[268\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), in Article 227.1, after the word "equipment", the words "as well as the land on which it is located" were added.

[KM](#) (Information of the Constitutional Court of the Republic of Azerbaijan No. 4/2008) 1. The "consent of the owner" provision of Article 228.5 of the Civil Code of the Republic of Azerbaijan refers to an agreement concluded in writing and confirmed in a notarial manner in accordance with the procedure defined in Article 228.2 of that Code.

2. The provision of Article 228.5 of the Civil Code of the Republic of Azerbaijan "the right of those persons to use the component part of the residential building is preserved even if family relations with the owner are terminated" should be considered in accordance with Articles 13 and 29 of the Constitution of the Republic of Azerbaijan.

Issues related to the termination of the right of other persons to use the residential building component should be resolved in accordance with Article 228.2 of the Civil Code of the Republic of Azerbaijan.

3. The provision of Article 228.5 of the Civil Code of the Republic of Azerbaijan "the right of the owner's family members to use the part of the residential building arises from the day this Code comes into force" should be considered in accordance with Part VII of Article 149 of the Constitution of the Republic of Azerbaijan.

4. It should be recommended to the Milli Majlis of the Republic of Azerbaijan to adopt the housing legislation regulating the legal status of the family members of the owner of the residential area and other persons.

[\[269\]](#) 228.5-Article c has been added.

[\[270\]](#) With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) In the first sentence of Article 232, the words "pre-registered it in the state register of immovable property" were replaced by the words "a security record was made in favor of the state register of immovable property"

[\[271\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), in Article 240.2, the words "Land, unless otherwise stipulated by the conti

[\[272\]](#) June 24, 2005 No. 9498-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), in Article 240.2, the words "Land, unless otherwise stipulated by the conti

242.1. A person who is not the owner of the plot of land exercises the rights of ownership and use of the plot belonging to him within the conditions and limits defined in the law or in the contract with the owner. ✓

[\[273\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan of the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words "including, if this does not contradict the terms of use of that area determined by the contract," were replaced by the word "further." .

[\[274\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In the second sentence of Article 245 the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**) the words "Land" have been replaced by the word "Land".

[\[275\]](#) The Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**) in the name of Article 246, Articles 246.1, 246.2, In the title of Article 247, in Articles 247.1, 247.3, in the title of Article 248, in Articles 248.1, 248.2, in the title of Article 249, in Articles 249.1 and 290.1 "or public needs" replaced by the word "needs".

246 of the Law of the Republic of Azerbaijan No. 731-IIQD of September 7, 2004 "On making changes in some legislative acts of the Republic of Azerbaijan and considering some legislative acts as invalid" (**Legislative collection of the Republic of Azerbaijan, 2004, No. 10, Article 761** in the article, the words "municipal needs" were replaced by the words "public needs" , Article 246.1 was removed, Articles 246.2, 246.3 and 246.4 respectively, Articles 246.1, 246.2 and 246.3 considered, the words "in accordance with Article 157.9 of this Code" were added to the beginning of Article 246.1 . The previous edition of the article stated:

~~Article 246. Acquisition of land for state or municipal needs~~

~~246.1. The plot of land can be acquired for state or municipal needs through purchase from the owner. Depending on whose needs the plot of land is purchased, the purchase is carried out by the authorized body of the Republic of Azerbaijan or the municipality.~~

~~246.2. The decision on the purchase of land for state or municipal needs is made by the relevant executive authority.~~

~~246.3. The decision of the relevant executive authority on the purchase of land for state or municipal needs must be registered in the state register of real estate.~~

~~246.4. The executive body that has made a decision on the purchase of the plot of land must send a written notification about it to the owner of the plot of land.~~

Articles 246.4 and 246.5 were added to the Code with new content by the Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215**).

Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("**Respublika**" newspaper, June 6, 2012, No. 123, "**Azerbaijan**" newspaper June 7, 2012, No. 124, **Legislative Collection of the Republic of Azerbaijan, 2012 year, No. 06, article 498**) and article 246 have been revised.

the previous editorial said:

~~Article 246. Acquisition of land for state needs~~

~~246.1. In accordance with Article 157.9 of this Code, the decision on the purchase of land for state needs is made by the relevant executive authority.~~

~~246.2. The decision of the relevant executive authority on the purchase of land for state needs must be registered in state register of real estate.~~

~~246.3. The executive body that has made a decision on the purchase of the plot of land must send a written notification about it to the owner of the plot of land.~~

~~246.4. The owner of the land acquired for state needs must release the acquired land no earlier than 90 calendar days~~

246.5. The provisions of Articles 246-249 of this Code apply to the land acquired for state needs, as well as to the buildings (houses, structures, facilities) located or not located on those land areas and acquired for the same purposes. ✓

[\[276\]](#) Law of the Republic of Azerbaijan [No.198-VIQD dated November 20, 2020](#) ("Azerbaijan" newspaper, December 26, 2020, No. 273, Legislative Collection of the Republic of Azerbaijan, 2020, No. 12, Book I, Article 1423) in Article 246.5, the words "land-related immovable property (watersheds, forests, perennial plantings, buildings, installations and other similar objects) were replaced by "objects firmly connected to the land (inseparable from it)

[\[277\]](#) Article 247.1 was revised by the Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007 Legislative Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215

the previous editorial said:

~~247.1. The purchase price of the plot of land purchased for state needs, the terms of the purchase and other conditions are determined in the agreement with the owner of the plot. The agreement includes the obligation of the state to pay the purchase price for the acquired area.~~

247 of the Law of the Republic of Azerbaijan No. 731-IIQD dated September 7, 2004 "On making changes in some legislative acts of the Republic of Azerbaijan and considering some legislative acts as invalid" (Legislative collection of the Republic of Azerbaijan, 2004, No. 10, Article 761) In the article, the words "municipal needs" were replaced by the words "public needs" .

Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("Respublika" newspaper, June 6, 2012, No. 123, "Azerbaijan" newspaper June 7, 2012, No. 124, Legislative Collection of the Republic of Azerbaijan, 2012 year, No. 06, article 498) and article 247 have been revised.

the previous editorial said:

~~Article 247. Purchase price of land purchased for state needs~~

~~247.1. The purchase price of the plots of land acquired for state needs is calculated in accordance with the procedure determined by the relevant executive authority and paid to the owner no earlier than 80 calendar days and no later than 120 calendar days after the day of sending the notification specified in Article 246.3 of this Code.~~

~~247.2. When determining the purchase price, that price includes the market value of the plot of land and the immovable property on it, as well as all the losses incurred by the owner as a result of the purchase of the plot of land, including the loss of profits due to the premature termination of his obligations to third parties. is done.~~

~~247.3. According to the agreement with the owner, he can be given another plot of land instead of the plot purchased for state needs, the value of which is included in the purchase price.~~

[\[278\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), in the name of Article 248, the words "acquisition by court decision" were replaced by the words "filing a claim against the decision on acquisition"

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" and amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (The legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) and Article 248.1 of the word " by decision " with the words " by the decision of the relevant executive power body " means " the relevant executive power body, which has adopted that decision, shall refer the land acquisition to the court" " words were replaced by the words "he will go to the court regarding that decision " .

Article 248.1 was revised by the Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007 (Legislative Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215).

the previous editorial said:

~~248.1. If the owner does not agree with the decision of the relevant executive authority on the acquisition of the plot of land for state needs, or if an agreement was not reached with him on the purchase price or other purchase conditions, he file a lawsuit against the decision.~~

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan a ed 1

248 of the Law of the Republic of Azerbaijan No. 731-IIQD of September 7, 2004 "On making changes in some legislative acts of the Republic of Azerbaijan and considering some legislative acts as invalid" (**Legislative collection of the Republic of Azerbaijan, 2004, No. 10, Article 761**) In Article 248.2, the words "**municipal needs**" were replaced by the words "**public needs**" , in Article 248.2 "246.4" number "246.3" replaced by the number

According to the Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215**), in Article 248.2 , after the words "**from the day of dispatch**" , and the claim **from the purchase price of this Code From the day of the payment specified in Article 247.1**" were added.

Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("**Respublika**" newspaper, June 6, 2012, No. 123, "**Azerbaijan**" newspaper June 7, 2012, No. 124, **Legislative Collection of the Republic of Azerbaijan, 2012 year, No. 06, article 498**) and article 248 have been revised.

the previous editorial said:

~~Article 248. **Submission of a claim against the decision on the purchase of land for state needs**~~

~~248.1. If the owner of the plot of land purchased for state needs is not satisfied with the decision of the relevant executive authority or the purchase price specified in Article 246.1 of this Code, he may appeal to the court. If the owner of the plot of land acquired for state needs appeals to the court against the decision of the relevant executive authority specified in Article 246.1 of this Code, the time periods stipulated in Article 246.4 of this Code shall be suspended.~~

~~248.2. Claims against the decision to purchase land for state needs can be filed within one year from the date of sending the notice specified in Article 246.3 of this Code to the owner of the land, and claims against the purchase price can be filed within one year from the date of payment specified in Article 247.1 of this Code.~~

[\[279\]](#)

Article 249.1 was revised by the Law of the Republic of Azerbaijan No. 506-IIIQD dated December 7, 2007 **Legislative Collection of the Republic of Azerbaijan, 2007, No. 12, Article 1215**

the previous editorial said:

~~249.1. The owner of the plot of land to be purchased for state needs can own the plot, use it and dispose of it from the moment the decision on the purchase of the plot is adopted until the agreement on the purchase of the plot is reached or the court decision is adopted, and the necessary expenses that ensure the use of the plot in accordance with its purpose can draw~~

249 of the Law of the Republic of Azerbaijan No. 731-IIQD of September 7, 2004 "On making changes in some legislative acts of the Republic of Azerbaijan and considering some legislative acts as invalid" (**Legislative collection of the Republic of Azerbaijan, 2004, No. 10, Article 761**) In the article, the words "**municipal needs**" were replaced by the words "**public needs**" .

Law of the Republic of Azerbaijan No. 332-IVQD dated April 20, 2012 ("**Respublika**" newspaper, June 6, 2012, No. 123, "**Azerbaijan**" newspaper June 7, 2012, No. 124, **Legislative Collection of the Republic of Azerbaijan, 2012 - year, No. 06, article 498**) and article 249 have been revised.

the previous editorial said:

~~Article 249. **The rights of the owner of a plot of land to be acquired for state needs**~~

~~249.1. The owner of the plot of land purchased for state needs can own the plot and use it according to its purpose from the moment the decision on the acquisition of the plot is made in accordance with Article 246.1 of this Code until the release of the plot according to Article 246.4 of this Code.~~

~~249.2. During the period when the purchase price of the plot of land is determined, the owner bears the risk of attributing the costs and damages related to the construction of new buildings and facilities, expansion and reconstruction of the old ones.~~

[\[280\]](#)

With the Law of the Republic of Azerbaijan [No.59-VQD dated December 18, 2015](#) ("**Respublika**" newspaper, January 19, 2016, No. 12, **Legislative Collection of the Republic of Azerbaijan, 2016, No. 01, Article 26**) Article 250.3 is given in a new edition.

the previous editorial said:

~~250.3. The term of the right of inheritance to the building is determined by the agreement of the parties, but cannot exceed ninety-nine years.~~

[\[281\]](#)

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("**Azerbaijan**" newspaper, February 9, 2018, No. 30, **Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142**) In Article 252.6, the words "to be used for state needs" are replaced by the words "to be used for public needs".

[282]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 269.3 the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[283]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), in Article 269.5, the word "obligation" was replaced by the words "property right"

[284]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 271.1 the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[285]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and the text of Article 274 are given in a new edition.

the previous editorial said:

~~The change of the owner of the thing pledged or mortgaged does not change the right of pledge or mortgage.~~

[286]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 275 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 275. Termination of pledge or mortgage right~~

~~The right of pledge or mortgage is terminated when the claim secured by them is terminated.~~

[287]

New with the Law of the Republic of Azerbaijan No. 711-IIIQD dated October 28, 2008 ("Azerbaijan" newspaper, December 14, 2008, No. 279, Legislative Collection of the Republic of Azerbaijan, 2008, No. 12, Article 1049) Article 276.4 has been added to the content.

[288]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and the text of Article 278 are given in a new edition.

the previous editorial said:

~~The pledgee's right to the item subject to pledge (pledge right) also applies to its equipment, unless otherwise stipulated in the contract. The right of lien to the spring, product and income obtained as a result of the use of the pledged property is applied in the cases stipulated in the contract.~~

[289]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) to Article 280.2, "(**uj limit**)" were added after the words **size**

[290]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and Article 282.3, word "**Further**" has been replaced by the words "**Further**", **taking into account the circumstances specified in**

[291]

From Article 285.2 of the Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**) "if in accordance with Article 455 of this Code" words have been removed.

[292]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and in the first sentence of Article 289.1, the word "Bail" has been replaced by the words **Bail, taking into account Article 274.2 of this Code**

[293]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words "municipal needs" were replaced by the words "public needs" in Article 290.1

[294]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 291.2 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~291.2. It is valid for the pledgee to waive his rights under the pledge agreement to another person under the condition that the claim rights against the debtor for the main obligation secured by the pledge are also waived to that person.~~

[295]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) to Article 294.1.4 before the word **pledge regarding seizure direction** were added and the words "open auction" were removed from that article.

[296]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and the fourth sentence was added to Article 296.1 with

[297]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and Article 296.2, the words **only by the decision of the court in the following cases** were replaced by the words **only by the decision of the court in the following cases**

[298]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and the text of Article 297 are given in a new edition.

the previous editorial said:

The pledged item is realized (sold) by specialized organizations only through open auction.

[299]

Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and the text of Article 297 are given in a new edition.

the previous editorial said:

~~298.1. After deducting from the amount taken as a result of the sale of the pledged item, the necessary sums for payment of the expenses incurred for the seizure of the item and its sale, the demands of the pledgee are paid, and remaining amount is given to the pledgee.~~

298.2. If the amount taken from the sale of the pledged item is not sufficient to satisfy the demand of the pledgee, he

Codes

It is in force

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the previous editorial said:

~~The debtor and the third-party pledgor may terminate the seizure of the subject of pledge and its sale at any time by executing the obligation secured by the pledge or the delayed part of the obligation.~~

[\[301\]](#) Law of the Republic of Azerbaijan [No.1080-VIQD dated December 26, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), February 1, 2024, "Azerbaijan" newspaper, February 2, 2024, No. 22) and money or other from Article 302.8-1 and including the application of targeted financial sanctions" were added after the word acquisition

[\[302\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 303.5, the word "Valuable" has been replaced by the words Document value

[\[303\]](#) Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) from the first sentence of Article 306.1, the words "under the condition that their total value does not fall below the value specified in the pledge agreement" were removed and the second sentence of that article was canceled.

[\[304\]](#) Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) and Article 306.3 have been revised.

the previous editorial said:

~~306.3. If the contract does not provide for separate conditions for monitoring the activities of the pledger, the pledger of goods in circulation is obliged to draw up a book of registration of pledges. In that book, the conditions of pledging the goods and all transactions that lead to changes in the composition or natural form of the pledged goods, including their processing, are entered for the last transaction day.~~

[\[305\]](#) Law of the Republic of Azerbaijan [No.1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) and Article 307.1 have been revised.

the previous editorial said:

~~307.1. The mortgage contract must specify the name and place of residence of the parties, the subject of the mortgage, the nature, size and execution period of the obligation secured by the mortgage.~~

[\[306\]](#) Law of the Republic of Azerbaijan [No.1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) and Article 307.2 have been repealed.

[\[307\]](#) Law of the Republic of Azerbaijan [No.1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) and the first and second sentences of Article 307.4 have been removed.

[\[308\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval and Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan The second sentence was added to Article 308.2 the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

the previous editorial said:

~~Registration is carried out in the specified manner when the owner of the item to be mortgaged presents the item and the creditor's notarized documents. In those documents, the owner of the item, the creditor, the alleged debtor - a third party, as well as the amount of the secured claim, benefit and execution period should be indicated.~~

[\[310\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 309.3 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[311\]](#) By the Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**) in Article 310, the words "according to the time of issuance" were replaced by "with the moment of state registration " has been replaced by the words

[\[312\]](#) Withthe Law of the Republic of Azerbaijandated April 19, 2024(**official website of the Azerbaijan State Information Agency (AZERTAC),May 1, 2024, "Azerbaijan" newspaper,May 2, 2024, No. 89**)In the first sentence of Article 316, the words "the creditor becomes the owner"were replaced by the wordsthe mortgage is terminatedmortgage terminationwere addedbefore the word "immovable

[\[313\]](#) The Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**) in Article 317.1, the words "If the debtor" are replaced by the word "Debtor", the words "delays the payment of the demand" have been replaced by the words "fails to perform or improperly performs the principal obligation".

[\[314\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 317.2of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~317.2. The sale is carried out in accordance with the rules explained in this chapter and the norms of the Civil Procedure Code:~~

Withthe Law of the Republic of Azerbaijan [No. 1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296 , **Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526**) In Article 317.2, the words " **Articles 414-416 of this Code** " have been replaced by the words" **The Law of the Republic of Azerbaijan on Mortgages**" .

[\[315\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe second sentence was added to Article 319.1 bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[316\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 319.2of the Law of the Republic of Azerbaijan (**Legisla Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~319.2. The mortgagor cannot secure his claim against the encumbered object in any other way. Such an agreement is ve~~

[\[317\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 319.2of the Law of the Republic of Azerbaijan (**Legisla Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

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24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" and amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (Article 319.6 was added to the Code by **the Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**).

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" of the Law of the Republic of Azerbaijan and amendments and additions to the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (Article 319.4 was added to the Code by **the Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**).

With the Law of the Republic of Azerbaijan [No. 1438-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, **December 30, 2018, No. 296** , Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2526) Articles 319.4, 319.5 and 319.6 have been revised.

-
the previous editorial said:

~~319.4. The initial sale price of the subject of the mortgage put up for sale at the open auction is determined by mutual agreement between the mortgagee and the debtor, as well as the mortgagor (if the debtor is not a mortgagor). If no agreement is reached in this area, they can apply to the person engaged in evaluation activities in accordance with the legislation.~~

~~319.5. If during the first auction there is no offer that reaches seventy percent of the initial sale price of the item, the auction must be held again. The re-auction must be announced in the form of the first auction with reference to the re-holding and must be conducted in the same manner. During the re-auction, the lowest sale price of the mortgage subject must be sufficient to at least cover the costs of the auction and the claims of other mortgage holders who are superior to the mortgage holder who sold the mortgage subject through the open auction due to the order of registration of their rights. If this does not happen, the auction is not held. Auction costs are borne by the owner.~~

~~319.6. In accordance with Articles 319.1-319.5 of this Code, if the amount taken from the sale of the subject of mortgage is not sufficient to satisfy the demands of the mortgagee, the debtor must pay the missing amount to the mortgagee.~~

[\[318\]](#) June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 323.1 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[319\]](#) June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 325.2 was removed from the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~325.2. If the other party withdraws in advance or immediately, the expression of will is not considered valid.~~

[\[320\]](#) June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 329.1 has been revised. The previous edition of the article stated:

~~329.1. In order for the agreement to be valid, it is necessary to follow the form defined by this Code. If such a form is not defined, the parties can define it themselves.~~

[\[321\]](#) June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the C Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic Azerbaijan and related legal regulation issues" AzerbaijanArticle 330 was removed from the Code bythe Law of the Republic Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

1:

~~330.2. If the agreement of the parties does not specify a separate rule, all contracts executed during the closing may be concluded verbally, but contracts with a notarized form and contracts whose simple written form is invalid are exceptions.~~ ✓

~~330.3. Contracts for the execution of a contract concluded in written form, if this does not contradict this Code and the contract, may be concluded orally with the agreement of the parties.~~

[\[322\]](#) Law of the Republic of Azerbaijan [No.822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, articles 333) and 331.1, the second and third sentences have been added with new content.

[\[323\]](#) The second sentence of Article 331.2 was removed by the Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745

Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 331.2, the word " Parties " was replaced by the words " in the Law, other legal acts or the parties ".

[\[324\]](#) April 15, 2005 No. 890-IIQD Law of the Republic of Azerbaijan "On making additions and changes to some legislative acts of the Republic of Azerbaijan in connection with the application of the Law of the Republic of Azerbaijan "On electronic signature and electronic document" ([Collection of legislation of the Republic of Azerbaijan, 2005 year, No. 6, article 466](#)) and article 331.3, the word "-digital" was removed after the word electronic.

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" of the Law of the Republic of Azerbaijan and amendments and additions to the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (The second sentence was added to Article 331.3 of the Legislative Collection of the Republic of Azerbaijan, No. 8, Article 693 of 2005 .

Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 331.3 before the word " parties " the words " in the law, other legal acts or " were added.

[\[325\]](#) Law of the Republic of Azerbaijan [No.581-VIQD dated July 8, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 19, 2022, "Azerbaijan" newspaper, August 20, 2022, no. 177, Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, Article 828) and in the first sentence of Article 331.4, the words "body defect were replaced by the words"physical deficiency"

[\[326\]](#) Article 331.5 was added to the Code by the Law of the Republic of Azerbaijan No.39-IIIQD dated December 23, 2005 Legislative Collection of the Republic of Azerbaijan, 2006, No. 2, Article 68

Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 331.5, the words " closing in the form " were replaced by the words" closing during trade and confirming with an electronic signature ".

[\[327\]](#) June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 332 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the ar stated:

~~Article 332. Contracts concluded in simple written form~~

~~332.1. The signatures of the parties involved in the agreement are sufficient for the agreement to be valid in a simple written form. The following contracts must be concluded in a simple written form, except for contracts requiring a notary~~

~~332.1.1. Contracts for the sale of real estate, including the sale of shares in the capital of a legal entity, and the sale of other immovable property~~

~~332.2. According to this Code, it is not required to follow a simple written form for contracts that can be concluded orally.~~

[\[328\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan Article 333 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~Article 333. Consequences of non-observance of the simple written form of the contract~~

~~333.1. Failure to observe the simple written form of the agreement deprives the parties of the right to rely on witness statements to confirm the agreement and its terms in case of dispute, but does not deprive the right to submit written and other evidence:~~

~~333.2. Failure to observe the simple written form of the agreement in cases directly specified in this Code or in the agreement of the parties causes its invalidity:~~

~~333.3. Non-observance of the simple written form of the foreign economic agreement leads to invalidity of the agreement:~~

[\[329\]](#)

With the Law of the Republic of Azerbaijan No. 1672-VQD dated October 8, 2019 ("Azerbaijan" newspaper, November 17, 2019, No. 255, Legislative Collection of the Republic of Azerbaijan, 2019, No. 11, Article 1681) In Article 334.2, the words "according to the law on notary" have been replaced by the words "in accordance with the Law of the Republic of Azerbaijan on notary"

[\[330\]](#)

June 24, 2005 No. 949-IIQD "On amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 335 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~Article 335. Consequences of non-compliance with the notarial form of the contract~~

~~335.1. Failure to comply with the notarial form of the contract leads to its invalidity. Such a transaction is considered insignificant:~~

~~335.2. If one of the parties has fully or partially executed the agreement that is required to be notarized, and the other party refuses to have the agreement notarized, the court has the right to consider the agreement valid at the request of the party that executed the agreement. In this case, the agreement is not required to be later notarized:~~

~~335.3. The party that unreasonably refuses to notarize the contract shall pay compensation for the damage caused by the delay in the conclusion of the contract to the other party:~~

[\[331\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of Article 336 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~336.1. Failure to comply with the requirement for state registration of the rights arising from the contract leads to its invalidity. Such a transaction is considered insignificant:~~

~~336.2. If the contract is concluded in the proper form, but one of the parties refuses to register the rights arising from the contract, the court has the right to issue a decision on the registration of those rights at the request of the other party. In this case, the rights arising from the contract are registered according to the court's decision:~~

~~336.3. The party that unreasonably refuses the state registration of the rights arising from the contract must compensate the other party for the damage caused as a result of the delay in the registration of these rights:~~

[\[332\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 337.1 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)



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Azerbaijan and related legal regulation issues" AzerbaijanThe text of Article 337.2 of the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)The previous edition of the article stated: ✓

~~337.2. A disputed contract is a contract that is invalid because it is considered invalid by the court. If the contract is disputed, the contract is invalid from the moment it is concluded. The right to dispute belongs to the interested party. The persons specified in this Code may request that the disputed contract be invalidated.~~

[334]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe second and third sentences of Article 337.3 were removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)The previous edition of the article stated:

~~337.3. A frivolous contract is a contract that is void in itself, regardless of whether it is considered void by the court. Any interested party can make a request to apply the invalidity consequences of an insignificant contract. The court has discretion to impose such consequences on its own initiative.~~

[335]

June 24, 2005 No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 338 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)The previous edition of the article stated:

~~Article 338. Invalidity of the contract that violates the rules and prohibitions established by this Code~~

~~An agreement that does not comply with the requirements of this Code or violates the rules and prohibitions established by this Code is invalid, if this Code does not determine that such an agreement is irrelevant or if other consequences of the violation are not provided for.~~

[336]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanIn Article 339.1of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693),the words"may be invalidated by the court at the claim of the victim""may be contested by the victim" .

339.1 of the Law of the Republic of Azerbaijan [No. 1054-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, April 25, 2018, No. 92 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) after the word " closed " to the article , the words "or causing the circumstances specified in Article 49.4 of this Code " were added.

[337]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanIn the first and third sentences of Article 339.2 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the words"can demand the invalidation of the contract"by the words"can dispute the contract""This requirement " have been replaced by the words"Such dispute"the words"proposed""implemented"

[338]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)in the first sentence of Article 339.3,the words"invalidation""disputing", and in the second sentence, the words"may require the contract to be invalidated"can be contested", and in the third sentence, words"the contract shall be considered invalid"have been replaced by the words"the contract shall be disputed"

[339]

June 24, 2005No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)in the first sentence of Article 339.3,the words"invalidation""disputing", and in the second sentence, the words"may require the contract to be invalidated"can be contested", and in the third sentence, words"the contract shall be considered invalid"have been replaced by the words"the contract shall be disputed"

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[\[340\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan In the first sentence of Article 339.5 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693) the words "the other party shall return to the victim all of what he received under the contract, and if it is not possible to return what was received in the same way, he shall pay its value in money". the rules of Article 337.5 of this Code are applied" were replaced by the words

[\[341\]](#) With the Law of the Republic of Azerbaijan No. 1054-VQD dated April 3, 2018 ("Azerbaijan" newspaper, April 25, 2018, No. 92, Legislative Collection of the Republic of Azerbaijan, 2018, No. 4, Article 650) Article 339.6 was added in the new content.

[\[342\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In the second sentence of Article 340.2, the word "invalid" was replaced by the word "irrelevant" the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[\[343\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), in Article 342.2, the words "by the court at the request" were replaced by the words "with the consent"

[\[344\]](#) The Law of the Republic of Azerbaijan No. 313-IIIQD dated April 17, 2007 (Legislative Collection of the Republic of Azerbaijan, 2007, No. 6, Article 560) in Article 343.1, "or from narcotic drugs", "from narcotic drugs and or from psychotropic substances" was replaced by the words

[\[345\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "Ten" in Article 344.1 was replaced by the words "Ten, except for the cases provided for in Article 29 of this Code"

[\[346\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 344.2 was removed by the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~344.2. If the contract concluded by the minor is in his favor, it can be considered valid for the minor's interest by the court at the request of his parents, adoptive parents or guardian.~~

[\[347\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 344.3 was removed by the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

The previous editorial said:

~~344.3. The rules of this article do not apply to small household contracts and other contracts that minors have the right to conclude independently.~~

[\[348\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In Article 345.1 of the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[349]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 347.1 has been revised. The previous edition of the article stated:

~~347.1. A contract concluded under the influence of a significant mistake can be disputed, and the contract can be considered invalid by the court on the claim of the party who acted under the influence of the mistake.~~

[350]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanIn the first sentence of Article 347.7 ofthe Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words"**Considered invalid based on the claim of the contract**"**Contested the contract concluded under the influence of a significant mistake**", in the second sentence" **according to his claim, the contract was considered invalid**"were replaced by the words "**disputed the contract concluded under the influence of an important mistake**"

[351]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 348 was removed bythe Law of the Republic of AzerbaijanThe previous edition of the article stated:

~~Article 348. **Invalidity of the contract concluded by violating the mandatory form**~~

~~A contract concluded by violating the mandatory form specified by this Code or a contract, as well as if it is necessary to obtain a permit for its conclusion, the contract concluded without obtaining a permit is invalid.~~

[352]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"or the contract concluded by a legal entity without a special permit (license) for the relevant activity"from Article 349and"**the person, his representative or may be invalidated by the court at the request of the body that supervises the activity of the legal entity**" were replaced by the words"**may be disputed by the person or its founder**"The previous edition of the article stated:

~~Article 349. **Invalidity of a contract that exceeds the legal capacity of a legal entity**~~

~~a contract entered into by a legal entity contrary to the activity objectives defined in its charter or a contract entered into by a legal entity without a special permit (license) to engage in the relevant activity, if it is proven that the other party participating in the transaction knew or should have known that it was illegal, that legal entity, its may be invalidated by the court at the claim of the founder or the body that supervises the activity of the legal entity.~~

[353]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanIn Article 350of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words"**can be considered invalid by the court at the request of a person**"**can be contested by a person**".

[354]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words"**claim periods**"in the name of Article 354 were replaced by word"**periods**"

[355]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words"**claim periods**"in the name of Article 354 were replaced by word"**periods**"

[356]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 354.2 has been revised. The previous edition of the article stated:

~~354.2. Claims for annulment of the disputed contract and the application of the consequences of its invalidity can be filed within one year from the day the violence or threat that affected the conclusion of the contract ended, or from the day the claimant knew and should have known the circumstances that led to the contract being considered invalid.~~

[357]

The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123**) and Article 359.3 of the Code in the second sentence of the Article, "and brokerage in the securities market" were added after the words "case of commercial representation"

359.3 of the Law of the Republic of Azerbaijan [No. 135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) in the second sentence of the article, the words "brokerage status" were replaced by the words "investment company activity".

[358]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 360.1 has been revised. The previous edition of the article stated:

~~360.1. If there is no authority to act on behalf of another person or if these powers are exceeded, the contract is considered to be concluded on behalf of the person who concluded it and for his benefit, provided that the other person (represented) does not directly approve the contract later.~~

-

Law of the Republic of Azerbaijan No. 122-IIIQD dated May 30, 2006 (Legislative Collection of the Republic of Azerbaijan, 2006, No. 8, Article 657) in Article 360.1, the words "to act" are replaced by the words "to act", "if", after the words "from the person (representative) of another person (represented person) concluding the contract" were replaced by the words "from the representative of the other party to the contract".

[359]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan"written"from the first sentence of Article 362.1the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**).

[360]

With the Law of the Republic of Azerbaijan [No.1672-VQD dated October 8, 2019](#) ("Azerbaijan" newspaper, November 17, 2019, No. 255, Legislative Collection of the Republic of Azerbaijan, 2019, No. 11, Article 1681) In Article 362.3.2, the word "offices" is replaced by the word "offices"

[361]

With the Law of the Republic of Azerbaijan [No.525-VIQD dated May 5, 2022](#) ("Azerbaijan" newspaper, June 14, 2022, No. 124, Legislative Collection of the Republic of Azerbaijan, 2022, No. 6, Article 580) In Article 362.3.4, in the first case, the words "social protection of the population" were replaced by the words "social service"

Law of the Republic of Azerbaijan [No. 867-VIQD dated May 2, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), June 3, 2023, "Azerbaijan" newspaper, June 4, 2023, No. 117, Legislative Collection of the Republic of Azerbaijan, 2023, No. 6, article 742) and the semicolon at the end of article 362.3.3 was replaced with a full stop and article 362.3.4 was canceled.

[362]

Law of the Republic of Azerbaijan [No.867-VIQD dated May 2, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), June 3, 2023, "Azerbaijan" newspaper, June 4, 2023, No. 117, Legislative Collection of the Republic of Azerbaijan, 2023, No.6, Article 742) and Article 362.4, after the word management, the words "and in relation to persons placed in social service institutions, the management of those institutions" were added.



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Azerbaijan and related legal regulation issues" AzerbaijanThe first sentence of Article 363.1 of the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)The previous edition of the article stated:

~~363.1. The validity period of the power of attorney cannot exceed three years. If the power of attorney does not specify a term, it remains valid for one year from the date of its conclusion. A power of attorney without a dated date is irrelevant.~~

Article 363.1 of the Law of the Republic of Azerbaijan No. 321-IVQD dated April 6, 2012 ("Respublika" newspaper, May 09, No. 101, 2012, legislative collection of the Republic of Azerbaijan, 2012, No. 05, Article 403) The word " power of attorney " has been replaced by the words " power of attorney, except for the case provided for in Article 363.3 of this Code" .

[364] [363.3 with the Law of the Republic of Azerbaijan No. 321-IVQD](#) dated April 6, 2012 ("Respublika" newspaper, May 9, No. 101, 2012, Legislative Collection of the Republic of Azerbaijan, 2012, No. 05, Article 403) Article has been added.

[365] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 364.3 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~364.3. A power of attorney issued in the manner of entrusting the trust to someone else must be notarized, except for the cases provided for in Article 362.4 of this Code.~~

[366] With the Law of the Republic of Azerbaijan No. 951-IIIQD dated February 1, 2010 ("Azerbaijan" newspaper, March 19, 2010, No. 62, Legislative Collection of the Republic of Azerbaijan, 2010, No. 03, Article 171) ("rest or holiday)" from the title of Article 370 and Article 370.1.

[367] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the name of Article 374 is given in a new edition. The previous edition of the article stated:

~~Article 374. Invalidity of the agreement on changing the claim periods~~

[368] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), Article 374.1 has been revised. The previous edition of the article stated:

~~374.1. Claim periods and the procedure for their calculation are stipulated by this Code and cannot be changed by agreement of the parties.~~

[369] With the Law of the Republic of Azerbaijan [No. 360-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 25, 2021, No. 152, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 711) At the end of Article 379.1.5, the period sign was replaced by a semicolon, and Article 379.1.6 was added in the new content.

[370] With the Law of the Republic of Azerbaijan [No. 360-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 25, 2021, No. 152, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 711) Article 379.4-1 was added in the new content.

[371] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In the second sentence of Article 384.0.3 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "during" was replaced by words "after completion"



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Republic of Azerbaijan, 2005, No. 8, Article 693),"either during contractual relations or after such relations"were added after the word"upon"in Article 385.2

[373] Article 386.4 was added to the Code by the Law of the Republic of Azerbaijan No.39-IIIQD dated December 23, 2005 **Legislative Collection of the Republic of Azerbaijan, 2006, No. 2, Article 68**

[374] Article 387.4 was added with new content by the Law of the Republic of Azerbaijan No. 510-IIIQD dated December 7, 2007 **Azerbaijan, 2007, No. 12, Article 1219**

[375] Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, **Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518**) and Article 391, after the word **circumstances**, the words "as well as "circumstances established by the Law of the Republic of Azerbaijan on **Encumbrance of Movable Property**" were added.

[376] With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, **Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142**) In Article 394, **or other property rights**" were added after the words **property to property**

[377] Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, **Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518**) to the text of Article 395, after the word **this obligation** words "On Encumbrance of Movable Property" were added **in the Law of the Republic of Azerbaijan or**

[378] June 24, 2005 No.949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of article 400 is given in a new edition by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, article 693**)

The previous edition of the article stated:

~~400.1. For everyone who is closed by a commercial organization and will apply to it due to the nature of its activity, in the field of selling goods, performing works or providing services (retail trade, transport by public transport, communication services, energy supply, medicine, hotel service, etc.) of this organization The contract defining the tasks to be performed is considered a general contract.~~

~~400.2. A commercial organization does not have the right to give preference to one person over another in concluding a general contract.~~

~~400.3. The price of goods, works and services, as well as other terms of the general contract, are determined in the same way for all consumers.~~

~~400.4. It is not allowed for a commercial organization to refuse to conclude a general contract if the consumer has the opportunity to provide relevant goods, provide services, and do relevant work.~~

~~400.5. In the cases stipulated by the law, the relevant executive authority may adopt rules (uniform contracts, etc.) that are binding for the parties during the conclusion and execution of general agreements.~~

~~400.6. Terms of the general contract that do not comply with the requirements set forth in Articles 400.3 and 400.5 are irrelevant.~~

[379] The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 400**) and Article 401 of the Code item has been removed. The previous edition of the article stated:

~~Article 401. Accession agreement~~

~~401.1. An accession agreement is an agreement whose terms are defined by one of the parties in forms or terms, and these terms can be accepted by the other party only by joining the proposed agreement in its entirety.~~

participate in the determination, he could not accept these conditions based on his reasonable interest, the party who joined the contract may demand the cancellation or modification of the contract. ✓

~~401.3. In the case of cases provided for in Article 401.2, the request made by the party to the contract to cancel or change the contract in connection with the implementation of his entrepreneurial activity, if that party knew or should have known the conditions under which the contract was concluded, shall not be fulfilled.~~

[\[380\]](#) June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"and in written form, if the form of the main contract is not determined"from the first sentence of Article 402.2.The previous edition of the article stated:

~~402.2. The initial contract is concluded in the form provided for the main contract, and if the form of the main contract is not determined, it is concluded in written form. Non-observance of the rules on the form of the initial contract leads to its irrelevance.~~

[\[381\]](#) Withthe Law of the Republic of Azerbaijan[No.1285-IVQDdated May 15, 2015](#)("Azerbaijan" newspaper, July 15, 2015, No. 151, **Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814**)Article 403-1 was added in the new content.

[\[382\]](#) Law of the Republic of Azerbaijan [No.669-VIQDdated December 2, 2022](#)(official website of the Azerbaijan State Information Agency (AZERTAC),**January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22**)andin the second sentence of Article 403-1.1,(**except investment fund share**)" were addedafter the words**securities**

[\[383\]](#) Withthe Law of the Republic of Azerbaijan[No.135-VQDdatedMarch 4, 2016](#)("Respublika" newspaper, March 13, 2016, No. 57, **Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401**)In Article 403-1.2, the words "relevant executive authority"were replaced by"**financial market control body**

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , **August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94)** and in Article 403-1.2, the words " **financial market control body** " were replaced by the words " **Central Bank** " and the second sentence was added to that article with new content. has been done.

[\[384\]](#) The Law of the Republic of Azerbaijan on amendments and additions to some legislative acts of the Republic of Azerbaijan in connection with the implementation of the Law of the Republic of Azerbaijan "On State Procurement" No. 399-IIQD dated December 6, 2002 ([Collection of legislation of the Republic of Azerbaijan, 2002, No. 12, Article 709](#)), Article 404.1 was added to the Code.

[\[385\]](#) June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe second sentence of Article 406.1 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~406.1. The contract may be concluded in any form provided for the conclusion of contracts, provided that this Code does not specify a specific form for that type of contract. If a certain form is specified in this Code for the validity of the contract, or if the parties consider this form for the contract, the contract shall enter into force only after the execution of the requirement for that form.~~

[\[386\]](#) Law of the Republic of Azerbaijan[No.822-VIQDdated February 24, 2023](#)(official website of the Azerbaijan S Information Agency (AZERTAC), **March 31,2023 , "Azerbaijan" newspaper, April 1,2023, No. 66, Legislative Collection of Republic of Azerbaijan, 2023, No. 3, Article 333**)andArticle 406.3 "documents through mail, telegraph, teletype, teleph electronic communication or other communication that allows to honestly determine that the document comes from the p er the contract" wordswere replaced by**letters, telegrams, electronic documents or other data in accordan** Ar

[387]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 407.2 has been revised. The previous edition of the article stated:

~~407.2. If, according to this Code, the transfer of property is also necessary for the conclusion of the contract, the contract is considered concluded from the moment of the transfer of the relevant property.~~

[388]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 407.3 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)The previous edition of the article stated:

~~407.3. When the rights under the contract must be state registered, the contract is considered concluded from the moment these rights are registered.~~

[389]

The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123**) and Article 408.2 of the Code"(including in advertising)"were added after the word"in the offer"in Article

[390]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 408.4 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)The previous edition of the article stated:

~~408.4. An offer made to the addressee must be accepted or rejected immediately.~~

[391]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 408.5 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)The previous edition of the article stated:

~~408.5. An offer made to an absentee may be accepted only so long as the offeree can normally expect a reply.~~

[392]

The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123**) and 408.7 of the Code. Article 408.8 was taken out, Article 408.7 was considered. The previous version of Article 408.7 stated:

~~408.7. Advertisements and other offers addressed to an unspecified group of persons are considered invitations to offer, provided that the offer does not directly specify a separate rule.~~

[393]

June 24, 2005No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 409.10 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[394]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 409.11 was added to the Code by theLaw of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[395]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 412 was removed bythe Law of the Republic of Azerbaijan previous edition of the article stated:

~~Article 412. Refusal of a party to conclude a contract~~

~~412.1. If the party who is obliged to conclude the contract according to this Code refuses to conclude it, the party~~



[396]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 413 was removed bythe Law of the Republic ofAzerbaijanThe previous edition of the article stated:

~~Article 413. Acknowledgment of debt~~

~~413.1. A written acknowledgment is required for the validity of the contract acknowledging the existence of the obligation relationship (acknowledgment of existing debt). If a separate form is provided for the establishment of the obligation relations; the existence of which is acknowledged, such a form is also required for the acknowledgment.~~

~~413.2. If the debt is acknowledged based on settlement (payment) or by agreement, compliance with the form is not mandatory.~~

[397]

October 26, 2004 No. 782-IIQD "On Additions and Amendments to the Tax Code of the Republic of Azerbaijan" Law of the Republic of Azerbaijan "On Additions and Amendments to Some Laws of the Republic of Azerbaijan" in connection with the implementation of the Law of the Republic of Azerbaijan ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 11, Article 901](#)) and Article 414.5,the words"**If in this Code**" were replaced by the word"**Legislation**"

[398]

October 26, 2004 No. 782-IIQD "On Additions and Amendments to the Tax Code of the Republic of Azerbaijan" Law of the Republic of Azerbaijan "On Additions and Amendments to Some Laws of the Republic of Azerbaijan" in connection with the implementation of the Law of the Republic of Azerbaijan ([Collection of Legislation of the Republic of Azerbaijan, 2004 year, No. 11, Article 901](#)) and Article 415.2,the words"**If in this Code**"by the word"**Legislation**"words"**information about**"were replaced by the words"**about and other information defined by legislation**"

[399]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 419.2 of the Code and "**419.1**"the Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#))number has been added.

[400]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan ([Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#)),"**according to the court's decision**"from the first sentence of Article 421.2. The previous edition of the article stated:

~~421.2. At the request of one of the parties, the contract may be changed or terminated by a court decision only if the other party significantly violates the contract or in other cases provided for in this Code or the contract. A breach of contract by one of the parties is considered a material breach when, as a result of the damage caused to the other party, he is substantially deprived of what he had the right to expect at the time of the conclusion of the contract.~~

[401]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe third sentence was added to Article 422.1 bythe Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#))

[402]

Law of the Republic of Azerbaijan[No.822-VIQDdated February 24, 2023](#)([official website of the Azerbaijan S Information Agency \(AZERTAC\), March 31,2023](#) , "[Azerbaijan](#)" newspaper, [April 1,2023, No. 66](#), [Legislative Collection of Republic of Azerbaijan, 2023, No. 3, Article 333](#))andArticle 428.4,after the word**creditorunless otherwise stipulated in the or contract**" were added.

[403]

June 24, 2005No.949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan

~~Article 429. Determination of obligations performance periods~~

~~429.1. The following rules apply for determining the terms and dates of performance of obligations specified in laws, court decisions and contracts:~~

~~429.1.1. if the beginning of the period is determined by an event or a moment of the day, including the conclusion of the contract, the day of the occurrence of the event or the moment is not taken into account for the calculation of the period;~~

~~429.1.2. if the start of the term is determined by the beginning of the day, that day is taken into account when calculating the term (the same rule applies to the birthday when calculating the age);~~

~~429.1.3. if the period is calculated in days, it ends at the end of the last day;~~

~~429.1.4. if the term is calculated in weeks, months or a period covering several months - year, half year, quarter, it ends at the end of the last week or the last month.~~

~~429.2. If there is no end date in the last month of the period calculated in months, the period ends at the end of the last day of that month.~~

~~429.3. A half-year period means a six-month period, a quarterly period means a three-month period, and a half-month period means a fifteen-day period.~~

~~429.4. If it is necessary to extend the term, the new term is calculated from the moment the previous term expires.~~

~~429.5. In cases where the period calculated in months or years is determined continuously, the month is equal to thirty days, and the year is equal to three hundred and sixty-five days.~~

~~429.6. The beginning of the month means its first day, the middle of the month means the fifteenth day, and the end of the month means the last day.~~

~~429.7. If it is necessary to perform the obligation on a certain day or during a certain period, if the last day of a certain day or period falls on a Saturday or Sunday or a generally accepted holiday at the place of performance of the obligation, the next working day is taken into account instead of them.~~

[404]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 430.3 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~430.3. A person bound by a bilateral contract may refuse to perform the obligation until the other party takes a counter-action, except in cases where he is obliged to fulfill his obligation in advance.~~

[405]

Article 430.4 was added to the Code the Law of the Republic of Azerbaijan No.39-IIIQD dated December 23, 2005 Legislative Collection of the Republic of Azerbaijan, 2006, No. 2, Article 68)

[406]

With the Law of the Republic of Azerbaijan No.572-VQD dated April 7, 2017 ("Azerbaijan" newspaper, April 14, 2017, No. 77, Legislative Collection of the Republic of Azerbaijan, 2017, No. 4, Article 524) In the second sentence of Article 431.1, and the debtor's consent is not required" were added after the word may

The previous editorial said:

It does not require the consent of the debtor.

[407]

1995 of the Milli Mejlis of the Republic of Azerbaijan on additions and changes to some legislative acts and "On measures to stabilize money circulation in the Republic" until the implementation of the Law of the Republic of Azerbaijan No. 82-IIIQD dated March 3, 2006 "On the National Bank of the Republic of Azerbaijan" 1004 dated March 28, 2004, the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2006, No. 3, Article 693) and Accounting interest of the Bank" in Article 439.3 of the Code by the Bank the accounting is replaced by the words "

[408]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 444 was removed from the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

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~~444.1. If the conditions that became the basis for the conclusion of the contract have clearly changed after the conclusion of the contract, and if the parties had foreseen those changes, would not have concluded the contract or would have concluded a contract with a different content, the contract may be required to be adjusted to the changed conditions. Otherwise, strict adherence to the unmodified contract cannot be required, taking into account individual circumstances.~~

~~444.2. Misconceptions based on the contract are considered to be a change of circumstances.~~

~~444.3. The parties must first of all make efforts to adapt the contract to the changed conditions. If it is not possible to adapt the contract to the changed conditions or the other party does not agree to it, the party whose interests have been violated can refuse the contract.~~

[\[409\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the first sentence was removed from Article 445.6, and the word "He" was replaced by the word "debtor"

The previous editorial said:

~~445.6. The debtor is liable for any negligence during the delay. If he does not prove that the damage can occur during the timely performance of the obligation, he is also responsible for accidental circumstances.~~

[\[410\]](#)

Law of the Republic of Azerbaijan [No.822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), **March 31, 2023**, "Azerbaijan" newspaper, **April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333**) and Article 445.7 have been revised.

The previous editorial said:

~~445.7. If the debtor delays the payment of the amount of money, he is obliged to pay five percent per annum for the delayed time, if the creditor cannot demand a larger amount based on other grounds. Payment of interest on interest is not allowed.~~

[\[411\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The third sentence was removed from Article 445.8 by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~445.8. If the creditor loses his interest in execution as a result of the debtor's delay in execution, he may refuse to accept execution and demand compensation for damages. As long as the obligation cannot be performed due to the delay of the creditor, the debtor is not considered to have delayed the performance. The creditor may demand compensation for damages caused by the delay.~~

[\[412\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 445.9 was added to the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[KM2](#)

According to the Decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated July 9, 2009 ("Respublika" newspaper, **July 11, 2009, No. 149**) 1. Illegal retention of funds other than the provision "for benefiting from it" of Article 449.1 of the Civil Code of the Republic of Azerbaijan, as a result of refusing to return it, delaying its payment in any other way, or obtaining or collecting money at the expense of another person without reason, means the formation of income, increase, profit or other material benefit specified in Article 152.3 of the Civil Code of the Republic of Azerbaijan.

2. The provisions of Articles 449.3 and 449.4 of the Civil Code of the Republic of Azerbaijan on "illegal use of funds" "use of other's funds", respectively, provide for the existence of the cases specified in Article 449.1 of that Code.

[\[413\]](#)

1995 of the Milli Mejlis of the Republic of Azerbaijan on additions and changes to some legislative acts measures to stabilize money circulation in the Republic" until the implementation of the Law of the Republic of Azerbaijan

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Republic of Azerbaijan, 2006, No. 3, Article 225) on the repeal of Decision No. 1004 dated March 28 replaced by the word "bank".

Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, The Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and in the second sentence of Article 449.1, the word "Interest" shall be replaced by the words "Interest unless otherwise stipulated in the law or contract", and the word "pay" in the third sentence "can provide" was replaced by the words.

[\[414\]](#) 1995 "On measures to stabilize the currency circulation in the Republic" until the implementation of the Law of the Republic of Azerbaijan No. 823-VIQD dated March 28, 2004, the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2006, No. 3, Article 225) Article 449.2 of the Code, replaced by the word "bank" replaced by

[\[415\]](#) Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 449.4 before the word "in the contract in this Code or" were added.

[\[416\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "does not" was replaced by the word "does" in Article 450.2

[\[417\]](#) The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and Article 450.3 of the Code in the article, the word "does not" is replaced by the word "does"

[\[418\]](#) Article 455 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) given in the new edition. The previous edition of the article stated:

~~Article 455. Basis of liability for breach of obligation~~

~~455.1. The debtor is responsible for non-performance and (or) improper performance of the obligation, unless otherwise provided for in this Code or the contract, if he is at fault. If the debtor proves that he has taken all the measures that depend on him for the proper execution of the obligation, he is considered innocent.~~

~~455.2. The person who violated the obligation proves that he is not guilty.~~

~~455.3. If this Code or the contract does not provide for a separate rule, the person who did not perform or improperly performed the obligation while engaged in entrepreneurial activity shall be liable if he does not prove that the performance was impossible as a result of an irresistible force, i.e. extraordinary and unavoidable circumstances in those circumstances. Violation of obligations by the debtor's counterparties, lack of necessary goods on the market or lack of necessary funds of the debtor do not belong to such cases.~~

~~455.4. A prior agreement on the elimination or limitation of liability for intentional breach of duty is irrelevant.~~

24 June 2005 No. 949-IIQD "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" of the Law of the Republic of Azerbaijan and amendments and additions to the Civil Code of the Republic of Azerbaijan approved by that law "Law of the Republic of Azerbaijan (Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) and Article 455 were removed. The previous edition of the article stated:

~~Article 455. Special bases of liability of a person engaged in entrepreneurial activity for breach of obligation~~

~~If this Code or the contract does not provide for a separate rule, the person who did not perform or improperly performed the obligation while engaged in entrepreneurial activity shall bear responsibility if he does not prove that the performance impossible as a result of an irresistible force, i.e. extraordinary and unavoidable circumstances under the circumstances. Violation of duties by the debtor's counterparties, lack of necessary goods on the market, or lack of necessary funds of the debtor do not belong to such cases.~~

[\[419\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan approved by that law

~~The debtor is responsible for non-execution or improper execution of the obligation by third parties to whom execution is entrusted, provided that this Code does not specify the responsibility of a third party who is a direct executor.~~ ✓

[\[420\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), the words "or according to the decision of the court" from Article 461.1. The previous edition of the article stated:

~~461.1. A person who has provided security for the performance of obligations may replace it with another security with the consent of the creditor or according to the court's decision.~~

[\[421\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 461.2 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~461.2. If the security for the performance of the obligation is insufficient without the fault of the creditor, it must be completed or another security must be given instead.~~

[\[422\]](#) Law of the Republic of Azerbaijan [No.822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), **March 31, 2023**, "Azerbaijan" newspaper, **April 1, 2023, No. 66**, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and the first sentence of Article 462.1, "law or" were added before the word agreement

[\[423\]](#) With the Law of the Republic of Azerbaijan dated April 19, 2024 (official website of the Azerbaijan State Information Agency (AZERTAC), **May 1, 2024**, "Azerbaijan" newspaper, **May 2, 2024, No. 89**) Article 472.4 was added in the new content.

[\[424\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was removed from Article 476 by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~The debtor, who has fulfilled the obligation secured by the surety, must immediately inform the surety about it. Otherwise, the guarantor, who has performed the obligation, may withhold unjustified payments from the creditor or make a recourse claim against the debtor.~~

[\[425\]](#) Law of the Republic of Azerbaijan [No.822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), **March 31, 2023**, "Azerbaijan" newspaper, **April 1, 2023, No. 66**, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 478, the word "administration" was replaced by the word organization

[\[426\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 490 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 490. Debtor's guarantee~~

~~490.1. A debtor's guarantee is an obligation based on which the debtor undertakes to perform any unconditional action that goes beyond the scope of the subject of the contract.~~

~~490.2. The debtor's guarantee is considered valid if it does not contradict the rules stipulated in this Code or if it does not burden the debtor.~~

~~490.3. The debtor's guarantee must be formalized in writing.~~



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the Republic of Azerbaijan, 2023, No. 1, Article 7) and the second and third sentences were added to Article 491.2 with a new content. ✓

[\[428\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 509.3 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[429\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the title of Chapter 26 was given in a new edition, Paragraph 1 and "§2. Assignment of Obligations" were removed from Chapter 26. The previous editorial said:

Change of persons in obligation

§ 1. Compromise of claims

~~Article 513. Grounds and order of relief of demands~~

~~513.1. The creditor may assign the claim that belongs to him to another person under the contract, or this claim may be transferred to another person based on the requirements of this Code. The rules on relief of claims do not apply to recourse claims.~~

~~513.2. Unless otherwise stipulated in this Code or the contract, the debtor's consent is not required for the concession of the creditor's demands.~~

~~513.3. If the obligation can be enforced in favor of another person only if its content is changed, or if relief is excluded due to an agreement with the debtor, the claim cannot be relieved.~~

~~513.4. If the debtor is not notified in writing about the concession of claims, the new creditor bears the risk of unfavorable consequences for him. In this case, the execution of the obligation to the original creditor is considered the execution to the appropriate creditor.~~

~~513.5. If this Code does not provide a separate rule, the rules on concession of demands shall be applied to the granting of other rights accordingly.~~

~~Article 514. Claims that cannot be discounted to other persons~~

~~Claims that are inextricably linked to the identity of the creditor, including claims about alimony and compensation for damage to life or health, are allowed to be discounted.~~

~~Article 515. Amount of claims of the creditor that are discounted to another person~~

~~If this Code or the contract does not stipulate a different rule, the original creditor's claim is transferred to the new creditor in the amount and conditions that existed at the time of the transfer of the right. In particular, the rights to enforce the obligation, as well as other rights related to demand, including the right to unpaid interest, are transferred to the new creditor. When the demand is discounted, the right of pledge and mortgage, as well as the rights on the guarantee given to him, are transferred to the new creditor. The new creditor can exercise the right of preference in connection with a demand for compulsory execution or bankruptcy.~~

~~Article 516. Evidence of new creditor's claims~~

~~516.1. The debtor may not perform the obligation to the new creditor until the evidence that the claim has been transferred to that person is presented to him.~~

~~516.2. The creditor, who has granted the claim to another person, is obliged to provide him with documents confirming the right to claim and to inform him of the information important for the realization of the claim.~~

~~Article 517. Objections of the debtor against the demands of the new creditor~~

~~517.1. At the moment when the debtor receives the notification that the demands on the obligation have been reduced to the new creditor, he can raise the objections he has against the original creditor against the new creditor's request.~~

~~517.2. If the debtor has given a debt obligation, during the concession of the demand for the presentation of the obligation, he cannot refer to the new creditor that entering into the obligation relations or their confirmation was done only appearance or the concession was excluded due to the agreement with the original creditor, but during the concession the cases where the creditor knows or should know the details of the case constitute an exception.~~

~~Article 518. Subrogation of the creditor's claims to another person based on the law~~

518.0.2. if the possibility of transferring the creditor's claims to another person is provided by the law, by the decision of the court on such transfer;

518.0.3. as a result of execution of the debtor's obligation by his guarantor or the non-debtor pledger of that obligation;

518.0.4. during the subrogation of the creditor's claims to the insurer against the debtor responsible for the occurrence of the insured event;

518.0.5. in other cases provided by law.

~~Article 519. Terms of concession of demand~~

~~519.1. It is allowed for the creditor to grant the claim to another person under the condition that such grant does not contradict this Code or the contract.~~

~~519.2. It is not allowed to discount the claim on the obligation where the identity of the creditor is important for the debtor without the consent of the debtor.~~

~~Article 520. Form of concession of demand~~

~~520.1. The relief of the claim based on the contract concluded in simple written or notarial form must be carried out in the appropriate written form.~~

~~520.2. The concession of the claim on the transaction, the rights of which must be state registered, must be registered in the manner determined for the registration of those rights.~~

~~520.3. Discounting of the demand on the ordered security is carried out by means of endorsement on that security.~~

~~Article 521. Liability of the creditor who discounted the demand~~

~~The original creditor who has discounted the claim is responsible for the invalidity of the claim given to him before the new creditor, but is not responsible for the debtor's failure to fulfill that claim, except for the case where the original creditor took a guarantee for the debtor before the new creditor.~~

§ 2. Assignment of obligations

[430]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The first sentence of Article 522.5 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~522.5. As long as the creditor has not given permission, he is responsible to the debtor to satisfy the obligor in time. The same rule applies if the creditor refuses to grant permission.~~

[431]

With the Law of the Republic of Azerbaijan No. 1285-IVQD dated May 15, 2015 ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the first sentence of Article 532.1, "documentary" was added after the words "money or

[432]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 532.2 of the Law of the Republic of Azerbaijan (Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[433]

The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420) and Article 557.1 of the Code in the first sentence of the article, a comma was inserted after the word "if" and "when the period of performance of the obligation is extended", in the second sentence the word "This" is replaced by the words "In this case, the state or municipality acts as a regressor in the claims that can be filed in connection with the damage caused, and this has been done. The previous edition of the article stated:

~~557.1. If the performance of the obligation is completely or partially impossible as a result of the act adopted by the state or municipal body, the obligation is terminated completely or in the relevant part. As a result of this, the injured parties demand compensation for damages in accordance with Articles 19 and 22 of this Code.~~



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Republic of Azerbaijan, 2005, No. 8, Article 693)in Article 564.1 after the word"shall not be paid,""provided that the damage is inflicted on the person or thing that caused the danger that caused the last emergency" " have been added. ✓

[\[435\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"or should know"from the second sentence of Article 572.1. The previous edition of the article stated:

~~572.1. Unless the buyer agrees to accept the item encumbered with the rights of third parties, the seller is obliged to provide the buyer with the item free from the rights of third parties. The failure of the seller to perform this duty gives the buyer the right to demand a reduction in the price of the item or the cancellation of the purchase agreement, provided that it is not proven that the buyer knew or should have known that third parties had rights to the item.~~

[\[436\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"or should know"from Article 573.1. The previous edition of the article stated:

~~573.1. When third parties take back the item from the buyer on the basis of the grounds established before the execution of the purchase and sale contract, the seller is obliged to compensate the buyer for the damage, if he does not prove that the buyer knew or should have known the existence of those grounds.~~

[\[437\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)in Article 587.1,**regardless of whether the seller is at fault**" after the words"**has the discretion** .

[\[438\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 587.5 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[439\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe first sentence of Article 589.2 ofthe Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~589.2. If the warranty period or shelf life is not specified for the item, the buyer can make claims regarding the defects of the item, provided that the defects of the sold item are determined within a reasonable time, but within two years from the date of delivery of the item to the buyer, or if it is longer by the purchase agreement, to be discovered during that period. The period for discovering the defects of the item to be transported or sent by mail is calculated from the day of delivery of the item to the destination.~~

[\[440\]](#) June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the C Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic Azerbaijan and related legal regulation issues" AzerbaijanArticle 600.6 was removed bythe Law of the Republic of Azerba (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~600.6. Unless otherwise stipulated in the purchase and sale contract, the item sold on credit is deemed to be pledged the seller to ensure that the buyer fulfills the obligation to pay for the item from the moment the item is given to the buyer. Payment is made.~~



[442]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 603 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated:

~~Article 603. Retention of ownership rights in the seller~~

~~603.1. Unless otherwise specified in the contract, the buyer becomes the owner of the item from the moment he pays for it:~~

~~603.2. if it is stipulated in the purchase and sale agreement that the ownership right to the item given to the buyer remains with the seller until the goods are paid, the buyer may not expropriate the item or give any other order regarding it until the ownership right is transferred to him, unless a different rule is provided in the contract or a different rule does not follow from the purpose and properties of the item.~~

~~603.3. If the given item is not paid within the period specified in the contract, the seller may demand the buyer to return the item to him, unless otherwise stipulated in the contract.~~

[443]

Law of the Republic of Azerbaijan [No.1428-VQDdated December 28, 2018](#)("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518)andin Article 606.1, the words "and to take back the thing"were replaced by the words**and (or) to seize that movable thing**

[444]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 606.4 was added to the Code bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[445]

Law of the Republic of Azerbaijan [No.1108-VIQDdated March 5, 2024](#)(official website of the Azerbaijan State Information Agency (AZERTAC), April 29,2024, "Azerbaijan" newspaper, April 30,2024 , No. 87)in the first paragraph of Article 609.3, the word "Food "was replaced by the word**Food**

[446]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 614.2 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated:

~~614.2. A retail sales contract is a general contract.~~

[447]

Law of the Republic of Azerbaijan [No.1108-VIQDdated March 5, 2024](#)(official website of the Azerbaijan State Information Agency (AZERTAC), April 29,2024, "Azerbaijan" newspaper, April 30,2024 , No. 87)in Article 623.1, the words "non-food product"were replaced by the words**non-food product**

[448]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 624.2 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated:

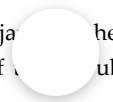
~~624.2. The buyer can demand the replacement of technically complex or expensive goods in case of significant violation of quality requirements.~~

[449]

Law of the Republic of Azerbaijan [No.1108-VIQDdated March 5, 2024](#)(official website of the Azerbaijan S Information Agency (AZERTAC), April 29,2024, "Azerbaijan" newspaper, April 30,2024 , No. 87)in Article 624.3, the w "foodstuffs"were replaced by the words**foodstuffs**

[450]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 624.4 was removed bythe Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693The previous edition of the article stated:



~~624.4. Instead of making the demands specified in articles 624.1 and 624.3 of this Code, the buyer may refuse to execute the retail purchase agreement and may demand the return of the amount of money paid for the goods. In this case, the buyer must return the purchased goods of insufficient quality at the seller's request and at his expense.~~

[\[451\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 624.5 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~624.5. When returning the amount of money paid for the goods to the buyer, the seller cannot deduct the amount of the decrease in the value of the goods as a result of full or partial use of the goods, loss of its appearance as a commodity or other similar circumstances.~~

[\[452\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 626 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 626. Responsibilities of the seller and performance of obligations in kind~~

~~If the seller does not fulfill the obligation under the retail purchase and sale contract, the payment of the compensation for the damage and the money of the container does not exempt the seller from the fulfillment of the obligation in kind.~~

[\[453\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 627.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~627.2. The shipping contract is concluded in writing.~~

[\[454\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulatory issues" Azerbaijan Article 628 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 628. Settlement of disputes when concluding a shipment contract~~

~~628.1. In the event of disagreements between the parties regarding separate terms of the contract during the conclusion of the shipment contract, the party that proposed the conclusion of the contract and on the other hand received an offer to agree on those terms, if the parties did not agree on a separate term, must take measures to agree on the relevant terms of the contract within thirty days from the day of receiving that offer. or must send a written notification to the other party that he refuses to conclude the contract.~~

~~628.2. The party that received an offer on the relevant terms of the shipping contract, but did not take measures to agree on its terms within the period provided for in Article 628.1 of this Code and did not send a notification to the other party that he refused to conclude the contract, must pay compensation for the damage caused as a result of refusing to agree on the terms of the contract.~~

[\[455\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 634.2 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~634.2. The buyer (recipient of goods) must inspect the received goods within the period specified in the shipping contract or business practices. In the same period, the buyer (purchaser) must check the quantity and quality of the received goods in manner determined by the contract or business circulation customs and must send a written notification to the sender with delay about the discrepancies or defects of the goods.~~

[\[456\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 635 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:



~~Article 644. Unilateral change of shipping contract or unilateral refusal of its execution~~

~~644.1. Unilateral change of the shipping contract or unilateral refusal of its execution (in whole or in part) is allowed in case of significant breach of the contract by one of the parties.~~

~~644.2. Violation of the shipment contract by the shipper is considered a significant violation in the following cases:~~

~~644.2.1. when goods of insufficient quality are sent with defects that cannot be eliminated within a reasonable time for the buyer;~~

~~644.2.2. when the deadlines for sending goods are repeatedly violated.~~

~~644.3. Breach of the shipment contract by the buyer is considered a material breach in the following cases:~~

~~644.3.1. when the terms of payment of goods are repeatedly violated;~~

~~644.3.2. when goods are not selected multiple times.~~

~~644.4. In the agreement of the parties, separate grounds for unilateral change of the shipping contract or unilateral refusal of its execution may be provided.~~

~~644.5. The shipment contract is considered changed or canceled from the moment one of the parties receives a notification about it from the other party, provided that the notification does not specify a separate period for changing or canceling the contract, or a separate period is not determined by agreement of the parties.~~

[\[457\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 647 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 647. Validity of purchase and sale of real estate~~

~~647.1. An agreement on the purchase and sale of real estate is considered valid when it is concluded in writing and notarized.~~

~~647.2. Ownership of real estate is transferred to the buyer from the moment of registration in the state register of real estate.~~

~~647.3. the buyer bears the costs of notarizing the purchase and sale agreement and registering the real estate in the state register.~~

[\[458\]](#)

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142) Article 648.3 was added in the new content.

[\[459\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 657.1 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~657.1. Any provision of the factoring agreement that provides for the concession of existing or future claims is valid in the relations between its participants only if those claims exist at the time of conclusion of the contract.~~

[\[460\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on the Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 658.3 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~658.3. In case of doubt, it is up to the buyer to agree to buy that item.~~

[\[461\]](#)

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 663.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

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unless a separate payment procedure is provided for in the contract, immediately before or after performing the duty to provide the goods. ✓

[\[462\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"and when real estate is registered in the state register" from Article 668.1.1. The previous edition of the article stated:

~~668.1.1. when donating immovable objects or rights to those objects, when the donation agreement is notarized and registered in the state register of immovable property;~~

[\[463\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"and when registered in the relevant official register" from Article 668.1.2. The previous edition of the article stated:

~~668.1.2. when donating movable objects that are required to be registered in official registers, when the donation agreement is notarized and registered in the relevant official register;~~

[\[464\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 668.2 was removed the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~668.2. A promise of forgiveness that does not comply with the requirements of Article 668.1 of this Code becomes valid if it is subsequently executed in accordance with those requirements.~~

[\[465\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on the Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan The second sentence was removed from Article 716 the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~Article 716. Lessor's lien right~~

~~The lessor has the right to lien on the lessee's things built on the leased land, as well as the spring of the leased object, according to the requirements arising from the legal relations under the land lease agreement. The right of lien cannot be exercised for future claims for compensation. The right of lien does not apply to things that are necessary for the lessee and his family as a means of subsistence until the next harvest, as well as things that are necessary for the normal use of the rented thing in accordance with its economic purpose. In this case, the instructions of Article 698 of this Code should be applied.~~

[\[466\]](#) According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial Unit" (**Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835**),"minimum wage" in the appropriate cases of the noun "was replaced by the words" **conventional financial unit**"

Article 742.2 of the Law of the Republic of Azerbaijan No. 742-IIIQD dated December 16, 2008 ("**Azerbaijan**" newspaper, February 18, 2009, No. 38, **Legislative Collection of the Republic of Azerbaijan, 2009, No. 02, Article 47**) in the first sentence, the words "**one hundred times the conditional financial unit defined by law**" were replaced by the words "**one hundred and ten manats**" .

740 with the Law of the Republic of Azerbaijan [No. 269-VQD dated May 31, 2016](#) (" **Azerbaijan** " newspaper, June 2016, No. 139 , **Legislative Collection of the Republic of Azerbaijan, 2016, No. 6, Article 1005**) the text of the article is give a new edition.

The previous editorial said:

~~The loan agreement is concluded orally. With the agreement of the parties, a written form can also be used.~~

~~Law of the Republic of Azerbaijan No. 822-VQD dated February 24, 2022 (official website of the Azerbaijan S~~

Article 739. Debt contract

~~739.1. According to the loan agreement, one of the participants (lender) undertakes to transfer ownership of money or other exchangeable items to another participant (borrower), and the other participant (borrower) receives money or similar items of the same quality and quantity, respectively. undertakes to return to the lender in the form of~~

~~739.2. If the subject of the loan agreement is any amount of money, it is called a loan agreement. Individuals engaged in lending money in the form of independent professional activity should additionally wait for provisions on granting loans in a professional manner.~~

Article 740. Form of debt contract

~~740.1. The loan agreement is concluded verbally or in writing with the agreement of the parties.~~

~~740.2. If the amount of the subject of the loan agreement exceeds three thousand manats, or if the participant of the agreement is a legal entity, regardless of the amount, the loan agreement must be concluded in writing.~~

Article 741. Interest on debt

~~If the parties to the contract stipulate that the debt be given with interest, the interest must be paid at the end of one year, and if the debt must be repaid before the end of one year, it must be paid simultaneously with the repayment of the debt.~~

Article 742. Termination of the debt contract and debt repayment

~~742.1. If there is no time limit for the repayment of the debt, it must be returned by the lender or the borrower when the loan agreement is terminated.~~

~~742.2. The notice period for the cancellation of the debt contract for debts in the amount of more than one hundred and ten manats is three months, for debts in the amount of less than one month. If interest on the loan is not stipulated, the borrower has the right to repay the loan without giving a notice of cancellation.~~

Article 743. The right to demand immediate repayment of the debt

~~If the borrower's property condition deteriorates significantly, which jeopardizes the demand for repayment of the debt, the lender can demand immediate repayment of the debt. This right is also valid if the property condition of the borrower deteriorates before the conclusion of the contract, and it becomes known to the lender only after the conclusion of the loan contract.~~

Article 744. Special right of the borrower to cancel the contract

~~744.1. The borrower can completely or partially cancel the loan agreement with fixed interest rates for a certain period of time in the following cases:~~

~~744.1.1. if the interest-related obligation is terminated before the specified period for debt repayment and no new agreement on the interest rate is accepted – by waiting for a one-month notice period for cancellation, and entering into force at the end of the day on which the interest-related obligation is terminated at the earliest;~~

~~744.1.2. if the agreement of the interest rate is stipulated for certain periods of time, including the year – by waiting for a one-month notice period on cancellation, respectively, only with interest coming into force at the end of the day of termination of the obligation;~~

~~744.1.3. if the loan is given to an individual – by waiting for a three-month notice period on cancellation, but taking effect no earlier than the end of the ninth month after the loan was received; if the debt is secured by the right related to the ownership of the land, or if it is entirely or mainly intended for the implementation of independent activity in the form of a craft or in a professional manner;~~

~~744.1.4. in each case subject to a six-month notice period of cancellation ten years after borrowing. If the repayment period or interest rate is renegotiated after the loan is taken, the moment of conclusion of the agreement replaces the payment period.~~

~~744.2. The borrower can cancel the variable rate loan agreement at any time by giving three months' notice of cancellation.~~

~~744.3. If the debtor does not pay the debt to the creditor by the end of the day when the cancellation notice expires, cancellation is considered incomplete by the borrower.~~

~~744.4. The Borrower's rescission rights under this Article may not be limited or compounded by contract.~~

If the property condition of the other party to the contract deteriorates significantly, and as a result, the repayment of the debt may be jeopardized, the lender may cancel the notice that he has undertaken to lend until he has given or paid the thing or amount he promised to lend.

Article 746. Promise to lend [KMQ6](#)

When a promise is made to lend, the promisor may refuse to lend if the property of the other party has deteriorated to the extent that the repayment of the loan is in jeopardy. The promise to lend must be made in writing.

[\[467\]](#)

The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 747.1 of the Code In Article c, the words "for a conditional period" were replaced by the words "with a conditional certain fee, for a certain period and under other conditions (including giving the lessee the right to purchase the property)" The previous edition of the article stated:

~~747.1. According to the leasing contract, the lessor is obliged to provide a certain item for the use of the lessee for the period stipulated by the contract.~~

[\[468\]](#)

747-1 TO THE CODE WITH THE LAW OF THE REPUBLIC OF AZERBAIJAN NO. 479-IIQD DATED JUNE 17, 2003 "ON ADDITIONS AND AMENDMENTS TO THE CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN" (COLLECTION OF LEGISLATION OF THE REPUBLIC OF AZERBAIJAN, 2003, NO. 8, ARTICLE 420) ARTICLE HAS BEEN ADDED.

[\[469\]](#)

747-2 TO THE CODE WITH THE LAW OF THE REPUBLIC OF AZERBAIJAN NO. 479-IIQD DATED JUNE 17, 2003 "ON ADDITIONS AND AMENDMENTS TO THE CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN" (COLLECTION OF LEGISLATION OF THE REPUBLIC OF AZERBAIJAN, 2003, NO. 8, ARTICLE 420) ARTICLE HAS BEEN ADDED.

[\[470\]](#)

THE LAW OF THE REPUBLIC OF AZERBAIJAN NO. 479-IIQD DATED JUNE 17, 2003 "ON ADDITIONS AND AMENDMENTS TO THE CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN" (COLLECTION OF LEGISLATION OF THE REPUBLIC OF AZERBAIJAN, 2003, NO. 8, ARTICLE 420) TO THE CODE 747-3 ARTICLE HAS BEEN ADDED.

[\[471\]](#)

747-4 TO THE CODE WITH THE LAW OF THE REPUBLIC OF AZERBAIJAN NO. 479-IIQD DATED JUNE 17, 2003 "ON ADDITIONS AND AMENDMENTS TO THE CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN" (COLLECTION OF LEGISLATION OF THE REPUBLIC OF AZERBAIJAN, 2003, NO. 8, ARTICLE 420) ARTICLE HAS BEEN ADDED.

[\[472\]](#)

747-5 TO THE CODE WITH THE LAW OF THE REPUBLIC OF AZERBAIJAN NO. 479-IIQD DATED JUNE 17, 2003 "ON ADDITIONS AND AMENDMENTS TO THE CIVIL CODE OF THE REPUBLIC OF AZERBAIJAN" (COLLECTION OF LEGISLATION OF THE REPUBLIC OF AZERBAIJAN, 2003, NO. 8, ARTICLE 420) ARTICLE HAS BEEN ADDED.

[\[473\]](#)

Law of the Republic of Azerbaijan No. 201-IVQD dated September 30, 2011 ("Respublika" newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, article 1073) and in article 747-5.1, the words "746-5.2" were replaced by the words "747-5.2"

[\[474\]](#)

The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 748 of the Code the text of the article is given in the new edition. The previous edition of the article stated:

~~748.1. The lease agreement is concluded in written form.~~

~~748.2. The following must be specified in the lease agreement:~~

~~748.2.1. full price;~~

~~748.2.2. the amount of the leasing fee and payment terms;~~

~~748.2.3. the definitive payment amount, and the procedure for calculating it if the contract is executed ahead of time.~~

[\[475\]](#)

The Law of the Republic of Azerbaijan No. 479-IIQD dated June 17, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2003, No. 8, Article 420](#)) and Article 748 of the Code the text of the article is given in the new edition. The previous edition of the article stated:

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[476]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In the first sentence of Article 756.1 of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**), "the right to unfulfilled work and" were added after the word "contractor"

[477]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), "owned by the customer" were added after the word "made" in Article 757

[478]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), "owned by the customer" were added after the word "erected" in Article 758

[479]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan "759.1" was added to the beginning of the first paragraph of Article 759 the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**) number and Article 759.2 was added to the Code.

[480]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of Article 760 of the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~Unless there is a compelling reason for terminating the contract, the contractor may terminate the contract until the completion of the work only in such a way that the customer can obtain the services in another way. In this case, the obligation to pay damages is excluded.~~

[481]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 761 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 761. The right of the contractor to demand a part of the wage~~

~~If the contractor terminates the obligation in accordance with Article 760 of this Code, he may demand the part of the remuneration corresponding to his previous services, provided that the customer has some interest in the previously rendered services.~~

[482]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), in Article 765 after the word "as a result", the words "if the defect is not completely eliminated after the expiration of the period specified for the additional execution of the contract" were added.

[483]

With the Law of the Republic of Azerbaijan [No.918-VQD dated December 15, 2017](#) ("Azerbaijan" newspaper, February 9, 2018, No. 30, **Legislative Collection of the Republic of Azerbaijan, 2018, No. 2, Article 142**) Article 770-1 was added in new content.

[484]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), "owned by the customer" were added after the word "made" in Article 757

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~~777.3. If the assignee does not intend to bind himself with obligations to perform legal acts and acts only out of public, customary or friendly considerations, such acts do not give rise to the legal consequences of an assignment contract.~~ ✓

[\[485\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan In the second sentence of Article 778.3 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693) the words "the assignment shall be considered executed only if the recipient of the power of attorney undertakes the resulting damage" shall pay compensation for the damage" was replaced by the words

[\[486\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 779.1 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[487\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence of Article 786.1 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~786.1. Each participant of the assignment contract can cancel the contract at any time. The party giving the notice of cancellation shall compensate the other party for the damages incurred.~~

[\[488\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 786.5 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[489\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 786.6 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[490\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "Concession" was added to the title of Chapter 43 "Commercial Concession"

[\[491\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 808.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~808.2. The commission contract is concluded in written form.~~

[\[492\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan The words "despite the honesty of the creditor" from the first sentence of Article 819.4 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693). The previous edition of the article stated:

~~819.4. The broker's concession to the creditor of the claims arising from the agreement on the performance~~ ion



[493]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanIn the second sentence of Article 820.1 ofthe Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"reasonably confident that itwith the words "honestly that it is" and the words"thisright of lien belongs to him"and"commissioner acquires the right of lien on this property"were replaced.

[494]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanIn the first sentence of Article 824.1 ofthe Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**)the words"for honesty usually shown in their workwere replaced by the words"for intent and/or gross negligence"

[495]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)to the end of the first sentence of Article 825.2, "provided that the request is not made at a time that is clearly inconvenient for the client, and the execution is not carried out in an inconvenient time. should not be done"were added.

[496]

Bythe Law of the Republic of AzerbaijanNo.1285-IVQDdated May 15, 2015("Azerbaijan" newspaper, July 15, 2015, No. 151, **Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814**)In Article 826.2,"documentary" is addedafter the wordsor

[497]

Bythe Law of the Republic of AzerbaijanNo.1285-IVQDdated May 15, 2015("Azerbaijan" newspaper, July 15, 2015, No. 151, **Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814**)The text of Article 828 is given in a new edition.

The previous editorial said:

~~828.1. In accordance with Article 1078 of this Code, the warehouse owner can write and issue commodity documents for the goods accepted for storage.~~ [497]

~~828.2. Commodity papers are securities stored in a warehouse, giving the right to issue the goods specified in these documents.~~

~~828.3. Commodity papers can be written in the form of a warrant or in the name of the consignee or the owner of the goods.~~

~~828.4. If a commodity paper is written on any goods, the warehouse owner can and must give the goods only to the authorized person specified in this document.~~

[498]

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"as a commission agent"were added after the word"goods"in Article 830.3

[499]

Withthe Law of the Republic of AzerbaijanNo.1285-IVQDdated May 15, 2015("Azerbaijan" newspaper, July 15, 2015, No. 151, **Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814**)In the title of Article 832, after word "money"and in the first sentence of its text,"documentary" has been added.

[500]

According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial U (**Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835**),"minimum wage" in the relevant cases of "r" was replaced by the words"conventional financial unit"



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thousand (1000) times the amount of the conventional financial unit determined by law" were replaced by the words "one thousand one hundred manats" .

[501] Law of the Republic of Azerbaijan [No.842-VQD dated October 31, 2017](#) ("Azerbaijan" newspaper, December 17, 2017, No. 279, Legislative Collection of the Republic of Azerbaijan, 2017, No. 12, Book I, Article 2210) to Article 842.2 after the words "received or the fare is paid using a payment instrument" were added.

[502] With the Law of the Republic of Azerbaijan [No.1588-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 994) Article 850.1 has been revised.

The previous editorial said:

850.1. According to the cargo transportation contract, the carrier undertakes to transport (deliver) the items from their location to the destination for a fee (freight transportation fee), and the sender or receiver undertakes to pay the cost of transportation.

[503] With the Law of the Republic of Azerbaijan [No.1588-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 994) After the words "consignor in the name of Article 851. Carrier" has been added.

[504] With the Law of the Republic of Azerbaijan [No.1588-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 994) In the text of Article 851, the words "contracting with the carrier the physical or legal person on whose behalf the shipment of cargo is formalized" and the third and fourth sentences have been added in the new content.

[505] With the Law of the Republic of Azerbaijan [No.123-VIQD dated May 31, 2020](#) ("Azerbaijan" newspaper, July 19, 2020, No. 140, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 839) and "documents" were added after the words "information" in the name of Article 853

[506] With the Law of the Republic of Azerbaijan [No.1588-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 994) Article 853.1-1 was added in the new content.

[507] With the Law of the Republic of Azerbaijan [No.123-VIQD dated May 31, 2020](#) ("Azerbaijan" newspaper, July 19, 2020, No. 140, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 839) In Article 853.2, the word "information" is replaced by the words "information and documents"

[508] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Second and third sentences were added to Article 860.1 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[509] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 860.3 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

860.3. In all disputed cases, the court at the location of the cargo may order the deposit or sale of the cargo. The sale may be prevented by payment or escrow of all disputed claims.

[510] With the Law of the Republic of Azerbaijan [No.1588-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 994) The text of Article 861.1 and Article 861.2 was added in the new content.

the noun"was replaced by the words"**conventional financial unit**"



870.2 of the Law of the Republic of Azerbaijan [No. 230-VIQD dated December 22, 2020](#) ("**Azerbaijan**" newspaper, **January 8, 2021, No. 3** , **Legislative Collection of the Republic of Azerbaijan, 2021, No. 1, Article 8**) the article is given in a new edition.

the previous editorial said:

~~870.2. Unless otherwise specified in the rent agreement, the amount of the paid rent is increased proportionally to the increase in the amount of the conditional financial unit.~~

[\[512\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law"Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),"and the abstract agreement on acknowledgment of existing debt" after the word"agreement"title of Chapter 49 .

[\[513\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 881.4 was removed bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[514\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanThe second sentence was added to Article 882.1the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[\[515\]](#)

Article 882.3 of the Law of the Republic of Azerbaijan No. 315-IIIQD of April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**), the words "in accordance with Articles 881.4 and 881.5" Substituted for "Article 881.5".

[\[516\]](#)

June 24, 2005 No.948-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 882.5 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 692**

[\[517\]](#)

By the Law of the Republic of Azerbaijan No. 520-IIIQD dated December 25, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2008, No. 3, Article 145**),the text of Chapter 50 was changed and given in the following redaction.

The previous editorial said:

Insurance

§1. General provisions on insurance

~~Article 883. Insurance contract~~

~~883.1. According to the damage insurance contract, one party (insurer) pays the other party (insured) or another person (beneficiary) for the benefit of the insurance contract in exchange for the fee stipulated by the contract (insurance fee) in case of occurrence of the event (insurance event) insured as a result of that event. undertakes to pay (give insurance payment) compensation for damage to property, or compensation for damage related to other property interests of the insured, up to the amount determined by the contract (insurance amount).~~

~~883.2. Under a life insurance or personal accident insurance contract, one party (insurer) undertakes, in exchange for a (insurance fee) stipulated by the contract and paid by the other party (the insured), that the insured himself or another person named in the contract reaches a certain age, dies or will pay the sum stipulated by the contract (insurance sum) at one periodically if his health is damaged or if a separate event (insurance event) provided for in the contract occurs in his life.~~

~~883.3. The insured must pay the insurance fee (premium).~~

~~Article 884. Duty to conclude an insurance contract~~



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Compulsory insurance may be provided by law. The rules of this chapter apply to compulsory insurance, provided that this does not conflict with the legislation on compulsory insurance. Reinsurance relations are regulated by law. ✓

~~Article 886. Insurance certificate~~

~~886.1. The insurer must provide the insured with a signed document about the insurance contract – an insurance certificate:~~

~~886.2. The insurance certificate must contain the following:~~

~~886.2.1. information about the parties to the contract and their location (address);~~

~~886.2.2. the name of the subject of insurance and the insured person;~~

~~886.2.3. determination of insurance risk;~~

~~886.2.4. the beginning and duration of the insurance;~~

~~886.2.5. the procedure for issuing the insurance amount and insurance payment;~~

~~886.2.6. the amount of the insurance premium, the order of its payment.~~

~~886.3. Provided that the insured person participates in the insurer's profit, in the case of life insurance, the order of profit distribution should be indicated in the insurance certificate, and in the case of life insurance with a variable insurance amount, the order of placement of the accumulated part of insurance premiums should be specified.~~

~~Article 887. Types of insurance certificates~~

~~If the insurance certificate is issued in the form of a name or a warrant to the submitter, the insurer may advance all the claims it has against the original insured against the owner of this certificate. If the owner of the insurance certificate informs the insurer that the rights related to the insurance have been assigned to him, and the insurer does not immediately notify his claims, this rule does not apply.~~

~~Article 888. Consequences of loss of insurance certificate~~

~~888.1. If the contract stipulates that the insurer must perform its duties only after the presentation of the insurance certificate, but the certificate is lost or destroyed, the insured may demand performance only if the certificate is declared invalid in a special procedure:~~

~~888.2. If the insurance certificate is lost or destroyed, the insured may request a copy from the insurer. The cost of providing a copy shall be borne by the insured:~~

~~Article 889. Rights of the insurance agent~~

~~889.1. If the insurance agent (representative) has the authority to conclude an insurance contract, he can also change the terms of the contract, extend its validity or cancel it at the request of the insurer:~~

~~889.2. When concluding an insurance contract, an insurance agent, who performs intermediary functions, has the right to conclude such a contract on behalf of the insurer.~~

~~Article 890. Term of insurance~~

~~890.1. Unless otherwise specified in the contract, the insurance starts at twenty-four o'clock on the day of conclusion of the contract and ends at twenty-four o'clock on the last day of the period stipulated in the contract:~~

~~890.2. If the insurance contract is concluded for more than five years, each of the parties may cancel the contract after three months of notice:~~

~~Article 891. Consequences of increasing the insurance premium~~

~~If the insurer has increased the insurance premium, the insured can cancel the contract by waiting for the one-month period of cancellation of the contract. An insignificant increase in the insurance premium does not give rise to such a right:~~

~~Article 892. Duty to provide information~~

~~892.1. The insured must inform the insurer of all significant circumstances known to him when concluding the contract. Circumstances that may affect the insurer's decision to refuse the contract or conclude it with changed content are considered significant:~~

~~892.2. Such a case is also considered important if the insurer makes a clear and unequivocal request in writing to the insured about this case.~~

~~892.3. If, contrary to the rules provided for in Articles 892.1 and 892.2 of this Code, the insurer is not informed of all important circumstances, he may refuse the contract:~~

~~892.4. If the insurer was aware of the hidden situation or the insured was not guilty of not reporting this situation, termination of the contract is not permissible:~~

~~Article 893. Consequences of providing false information~~

~~893.1. The insurer can also refuse the contract if there is incorrect information in the notification about a sig~~ eve

~~Article 894. Cancellation of the insurance contract as a result of failure to provide information~~

~~When the insured is required to answer written questions about perils, the insurer may cancel the contract if he deliberately omits the unquestioned conditions and fails to report them.~~

~~Article 895. Period of cancellation of the contract as a result of non-notification~~

~~895.1. The insurer may cancel the contract within one month after the failure to provide the information provided for in this chapter of this Code. This period starts from the moment the insurer becomes aware of the violation of the obligation to provide information.~~

~~895.2. The insured must be informed about the cancellation of the contract.~~

~~Article 896. Cancellation of the contract after the occurrence of an insurance event~~

~~When the insurer cancels the contract after the occurrence of the insurance event, if the breach of the duty to inform about it did not affect the occurrence of the insurance event and the insurer's performance of its duties, it shall not be exempted from performing its duties.~~

~~Article 897. The duty to inform about the increase of danger~~

~~897.1. If an increase in risk after the conclusion of the contract may significantly affect the conclusion of the contract, the insured must immediately inform the insurer about the increase in risk.~~

~~897.2. In the case provided for in Article 897.1 of this Code, the insurer has the right to cancel the contract by waiting for a period of one month or to request an appropriate increase of the insurance premium. If the insured caused the increase of danger intentionally, the insurer can cancel the contract without waiting for the period.~~

~~897.3. If the insured does not perform the duty provided for in Article 897.1 of this Code, the insurer shall be released from the duty to make the insurance payment if an insured event occurs as a result of the increased risk, provided that the insured cannot prove that the duty was not performed without his fault.~~

~~897.4. If the insurer was aware of the danger in time or the lack of information about the danger could not prevent him from making the insurance payment, the insurer is not released from the obligation to make the insurance payment.~~

~~Article 898. The duty to provide information on the occurrence of an insurance event~~

~~898.1. As soon as the insured becomes aware of the occurrence of an insured event, the insured must inform the insurer about it without delay.~~

~~898.2. After the occurrence of an insured event, the insurer may request from the insured any information necessary for determining the insured event and (or) the amount of insurance payment.~~

~~898.3. If the insured does not fulfill the duty to provide information, but the interests of the insurer are not significantly violated as a result, the insurer cannot rely on an agreement that gives grounds for release from its duty.~~

~~898.4. The insurer must perform its duties after the insurance event has occurred and the amount of the insurance payment has been determined.~~

§2. Insurance cost

~~Article 899. Duty to pay the insurance fee~~

~~899.1. The insured must pay the insurance fee only after receiving the document confirming the insurance.~~

~~899.2. If the interest in the insurance is lost, the insurer can demand the portion of the insurance premium corresponding to the duration of the risk assumed. The insurer may charge a fee commensurate with the service provided.~~

~~Article 900. First insurance fee~~

~~Unless otherwise stipulated in the contract, the insurer is released from its duties until the first or one-time insurance premium is paid on time.~~

~~Article 901. Failure to pay the insurance fee on time~~

~~901.1. If the insurance fee has not been paid on time, the insurer may set a two-week period for its payment in writing. At this time, he must indicate the consequences of delay in payment.~~

~~901.2. If the insured event occurs after the expiry of the insurance premium payment period and the insured delays the payment of the premium or interest until then, the insurer shall be released from his duties.~~

~~Article 902. Termination of the contract as a result of non-payment of the insurance premium on time~~

~~If the insured does not pay the insurance premium on time, the insurer may notify the insured about the termination of the contract one month in advance, and if the insured does not pay the insurance premium within this period, the insurer may cancel the contract.~~

~~Article 903. Termination of insurance premium payment~~

~~If, after the conclusion of the contract, it becomes clear that the economic situation of the insurer has deteriorated,~~

~~Article 904. Duty to pay compensation for damage~~

~~If the contract does not provide for a different case, during the loss insurance, the insurer must pay for the loss in money.~~

~~Article 905. Limits of damages compensation~~

~~The insurer pays compensation for damage only up to the limit of the insured amount.~~

~~Article 906. Insurance comparison~~

~~906.1. If it turns out that the insurance amount is much higher than the value of the insured interest (insurance value), both the insured and the insurer can demand that the insurance amount be reduced by immediately reducing the insurance premium in order to prevent overinsurance.~~

~~906.2. If the insured enters into a contract to obtain illegal income by increasing the insurance value, the contract is considered invalid. Insurance premiums paid to the insurer shall remain with him until the invalidity of the contract is determined, provided that he did not know that the contract was invalid at the time of the conclusion of the contract.~~

~~Article 907. Properties of property insurance~~

~~If the property is insured and the contract does not provide for a different case, the value of the property is considered the insurance amount.~~

~~Article 908. Insurance of lost profits~~

~~If it is stipulated in the contract, the insurance also applies to the benefit lost as a result of the occurrence of the insured event.~~

~~Article 909. Insurance of a collection of items~~

~~If a set of items is insured, the insurance applies to all items included in the set.~~

~~Article 910. Amount of insurance payment~~

~~Even if the insurance amount is higher than the insurance value at the time of the insured event, the insurer is not obliged to pay the amount that exceeds the amount of the damage caused to the insured.~~

~~Article 911. Partial or incomplete insurance. Double insurance~~

~~911.1. If the insured amount is less than the insured value at the time of the insured event (partial or incomplete insurance), the insurer pays the loss in proportion to the ratio of the insured amount to the insured value.~~

~~911.2. A person who insures the same interest with several insurers at the same time must immediately inform each of the insurers. The information must indicate the identity of all insurers and the amounts of the insurance amount.~~

~~911.3. If the same risk is insured by several insurers for that purpose and the sum of the insurance sums is higher than the insurance value, or if there is no insurance contract with another insurer, if the total amount of payments to be paid by each insurer is higher than the total loss due to other reasons (double insurance), the insurers are provided in the contract concluded with the insured they are liable to the insured as co-debtors up to the amount charged, but the insured does not have the right to receive an amount higher than the amount of real damage in aggregate.~~

~~Article 912. Invalidity of double insurance~~

~~If the insured formalizes the double insurance for the purpose of obtaining illegal income, any contract concluded for this purpose is considered invalid.~~

~~Article 913. The fault of the insured in the event of an insured event~~

~~If the insured commits the event provided for in the insurance intentionally or due to gross negligence, the insurer is released from fulfilling its duties.~~

~~Article 914. Duty to fulfill the instructions of the insurer~~

~~914.1. In the event of an event provided for in the insurance, the insured must prevent or reduce the loss as much as possible, and must follow the instructions of the insurer in this regard.~~

~~914.2. The insurer must pay for the costs incurred as a result of his instructions.~~

~~Article 915. Insurance against damage caused by war or other force majeure~~

~~The insurer is liable for damage caused by war or other force majeure only if it is stipulated in a special agreement.~~

~~Article 916. Demand for payment of damages by a third party~~

~~916.1. If the insured can make a claim for damages against a third party, that claim is transferred to the insurer on condition that he has paid the damages to the insured. If the insured waives his claim or the right to have his claim fulfilled against a third party, the insurer is released from the obligation to pay compensation for the loss to the extent that it can be as a result of the exercise of the right to compensation for its expenses or in connection with the submission of the claim.~~

~~916.2. If the right of the insured person to claim compensation for the damage belongs to the family member, the transfer of the right is excluded if the family member caused the damage intentionally.~~

The insurer must be immediately informed about the alienation of the insured property. If the acquirer or expropriator does not immediately inform the insurer about this, if the insured event occurs two weeks after the property is expropriated, the insurer is released from the obligation to pay insurance.

~~Article 919. Termination of insurance when property is expropriated~~

~~919.1. The insurer has the right to terminate the insurance relationship with the acquirer by waiting for a period of one month to cancel the contract. If the insurer does not use the right to cancel the contract within one month from the moment it becomes aware of the alienation of the property, this right of the insurer shall expire.~~

~~919.2. The acquirer has the right to cancel the insurance contract; he can only cancel the contract immediately or near the end of the current period of insurance. If the acquirer does not use the right to cancel the contract within one month after acquiring the property, he loses this right, and if the acquirer is not aware of the insurance, the right to cancel remains valid until one month has passed since the acquirer became aware of the insurance relationship.~~

~~919.3. If the insurance contract is terminated based on the rules of this article, the expropriator must pay the insurance fee to the insurer, but this fee should not exceed what he has to pay during the insurance period, including the moment of termination of the contract; in this case, the acquirer is not responsible for paying the insurance premium.~~

~~Article 920. Conclusion of an insurance contract in favor of another person~~

~~The insured can conclude the insurance contract with the insurer on behalf of another person. It is not mandatory to provide the name of this person.~~

~~Article 921. Rights of another person in the insurance contract~~

~~921.1. In the case of insurance in favor of another person, the rights arising from this contract belong to that person. Only the insured has the right to request an insurance certificate.~~

~~921.2. The insured person can exercise his rights without consulting the insured only if he has the insurance certificate in his possession and can demand the realization of his rights through the court.~~

~~Article 922. Rights of the insured~~

~~922.1. The insured can use the rights belonging to the insured person under the insurance contract on his own behalf.~~

~~922.2. If an insurance certificate has been issued, the insured may receive payment or transfer his right to the insured person without obtaining the consent of the insured person only if he is in possession of the insurance certificate.~~

~~922.3. The insurer must pay the insured person only if the insured proves that the insured person agrees with the insurance contract.~~

~~Article 923. Civil liability insurance contract~~

~~According to the civil liability insurance contract, the insurer must release the insured from the liability assigned to him to the third party in connection with the liability incurred during the insurance period.~~

~~Article 924. Request to pay compensation for damage directly~~

~~The insurer must pay the loss directly within the limits of his liability, provided that the injured party makes a claim against him.~~

~~Article 925. Court costs and extrajudicial costs~~

~~The insurance also includes legal and extrajudicial costs incurred in defending against third-party claims, provided that such costs are necessary due to the circumstances of the case.~~

~~Article 926. Release of liability of the insurer~~

~~If the insured has knowingly caused the occurrence of a situation that caused him to be liable to a third party, the insurer is released from liability.~~

~~Article 927. Liability during compulsory insurance~~

~~If the insurer is completely or partially released from its obligations to the insured, its liability to the third party remains in force in the cases provided for in the law on compulsory insurance.~~

§4. Life insurance

~~Article 928. Life insurance contract~~

~~928.1. Life insurance may belong to the insured personally or to another person.~~

~~928.2. If the life insurance contract is concluded in favor of another person, the written consent of that person or his representative is necessary.~~

~~Article 929. Inadmissibility of refusal to conclude a contract~~

~~If the insured violates his duty to inform during the conclusion of the contract, if five years have passed since the conclusion of the contract, the insurer cannot refuse the contract. If the duty to provide information has not been fulfilled for~~

If insurance premiums are paid periodically, the insurer may cancel the insurance relationship at any time, but closer to the end of the current insurance period. ✓

~~Article 931. Transfer of the right to benefit to a third party~~

~~931.1. In the case of cumulative insurance, the insured may transfer the right to receive insurance payments to a third party, and may also replace the third party with another person, provided that the contract does not stipulate a different rule.~~

~~931.2. If the insured has not instructed otherwise, the third party entitled to receive the insurance payment may exercise this right only in the event of an insured event.~~

~~Article 932. Ineligible third party~~

~~932.1. If the duty of the insurer during collective insurance does not correspond to the right of a third party, this right remains with the insured.~~

~~932.2. If the third party does not use his right to receive insurance payment during collective insurance, this right remains with the insured.~~

~~Article 933. Exemption of the insurer from the obligation to pay insurance~~

~~933.1. If the insurance contract was concluded for the death of another person, the insurer shall be released from his duties if the insured intentionally caused the death of that person by his illegal actions.~~

~~933.2. If a third party has the right to receive an insurance payment during life insurance, this right is not recognized if that person intentionally caused the death of the insured person by illegal actions.~~

~~Article 934. Exemption from payment of compensation in case of suicide~~

~~In the case of suicide of the insured person during life insurance, his heirs or beneficiaries can receive payment in the amount that the insured person can receive at the time of termination of the contract on his own initiative.~~

~~Article 935. Changing the insurance contract~~

~~935.1. The insured can request to replace the insurance contract with a contract without insurance premiums at any time until the end of the current period of insurance.~~

~~935.2. If the insured requests such a replacement of the contract, and if the reserve of accumulated insurance premiums is considered as a one-time fee, from the moment the request is made, the amount of the insurance or the benefit provided in the contract will be replaced by the amount corresponding to the position of the insurer, taking into account the age of the insured person.~~

~~Article 936. Deductions upon termination of the contract~~

~~If the life insurance contract is terminated as a result of refusal, cancellation or complaint, the insurer must return the insurance reserve created up to the date of termination of this contract. The insurer can deduct the amount specified in the contract from the returned funds.~~

~~Article 937. Consequences of compulsory execution~~

~~If the owner of the insurance certificate (the person who has the right to receive payment from the insurer upon termination of the contract) is bankrupt, the certificate may be seized by the court's decision. According to the agreement with the insurer, another person can take the place of the certificate holder by paying the legal demands of the creditors within the limit of the amount that the insurance certificate holder can receive from the insurer during the termination of the insurance contract.~~

§5. Personal accident insurance

~~Article 938. Individual accident insurance contract~~

~~938.1. An individual accident insurance contract can be concluded either for the insured person or for another person.~~

~~938.2. The consent of the insured person or his representative is required to conclude the insurance contract not by the insured person, but in his favor.~~

~~Article 939. Consequences of damage to health~~

~~If the insurer's duty depends on intentional injury to health, the absence of intent is presumed until the contrary is proven.~~

~~Article 940. Consequences of intentionally committing an individual accident~~

~~940.1. If, during the insurance of another person, the person for whose benefit the insurance contract was concluded intentionally causes the occurrence of an individual accident by illegal actions, the insurer is released from the performance of his duties.~~

~~940.2. If another person has the right to receive benefits, he is deprived of this right if he intentionally causes an individual accident by illegal actions.~~

Article 942. ~~Inadmissibility of the right of recourse~~

The insured has no right of recourse against the person responsible for the damage.



[\[518\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 884.1, the word "by legislation" is replaced by the word "by law"

[\[519\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 884.3 has been revised.

[\[520\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In the first sentence of Article 884.6, the word "legislation" is replaced by the word "law" the right to receive payment has been replaced by the words "payment must be given"

[\[521\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Articles 884.6-1 and 884.6-2 are added.

[\[522\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 885.2, the words "in insurance legislation" have been replaced by the words "in Article 14 of the Law of the Republic of Azerbaijan on Insurance Activities"

[\[523\]](#) With the Law of the Republic of Azerbaijan [No.97-VIQD dated May 8, 2020](#) ("Azerbaijan" newspaper, July 4, 2020, No. 127, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 822) Article 885-1 was added in the new content.

[\[524\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 886.2, the word "by law" was removed, the word "by legislation" was replaced by the words "in the Criminal Code of the Republic of Azerbaijan, the Code of Administrative Offenses of the Republic of Azerbaijan and other laws"

[\[525\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) From Article 890.1, the words "in the manner prescribed by the insurance legislation" have been removed.

[\[526\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 895.1 has been revised.

[\[527\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) The text of Article 896 is given in a new edition.

[\[528\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 897.1, the word "legislation" is replaced by the words "by compulsory insurance laws"



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[\[530\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 897.3, the word "by legislation" by the words **by compulsory insurance laws by legislation** in the first case is replaced by the words "those laws", and in the second case it is removed.

[\[531\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 897.4 is added.

[\[532\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 899.1-1 has been added.

[\[533\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) and in article 900.1.2, a comma was placed after the words **surname** and after the words "father's name" **personal identification number, in the case of a legal entity, also TIN** were added.

[\[534\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) to Article 900.1.3, after the word **date**, the words **personal identification number, VEN-i of the legal entity** were added.

[\[535\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) and Article 900.1.4, after the words "assigned name", a comma is not inserted, in the first case, the word **and** after the word **date** **personal identification number, legal person's VEN** are added.

[\[536\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) and Article 902.1.2, a comma was placed after the words **surname** and after the words "father's name", **personal identification number, in the case of a legal entity, also TIN** were added.

[\[537\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) and in article 902.1.3, after the word **date**, the words **individual identification number, in the case of a legal entity, also TIN** were added.

[\[538\]](#) Law of the Republic of Azerbaijan [No.68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 20, 2016, No. 39; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) and Article 902.1.8, a comma was placed after the words **surname** and after the words "father's name" **personal identification number, in the case of a legal entity, also TIN** were added.

[\[539\]](#) With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 902.2, the words **insurance supervision** are replaced by the words **financial markets supervision**

[\[540\]](#) With the Law of the Republic of Azerbaijan [No.1640-VQD dated July 9, 2019](#) ("Azerbaijan" newspaper, July 24, 2019, No. 159, Legislative Collection of the Republic of Azerbaijan, 2019, No. 7, Article 1202) In Article 908.1.1, **(decision)** added after the word **judgment**

[\[541\]](#) With the Law of the Republic of Azerbaijan [No.97-VIOD dated May 8, 2020](#) ("Azerbaijan" newspaper, May 14, 2020, No. 100, Legislative Collection of the Republic of Azerbaijan, 2020, No. 05, Article 100) **(decision)** added after the word **judgment**



[\[542\]](#) With the Law of the Republic of Azerbaijan [No.97-VIQQdated May 8, 2020](#)("Azerbaijan" newspaper, July 4, 2020, No. 127, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 822)Article 916.1-1 was added in the new content.

[\[543\]](#) With the Law of the Republic of Azerbaijan [No.1637-VQDdated July 9, 2019](#)("Azerbaijan" newspaper, August 27, 2019, No. 186, Legislative Collection of the Republic of Azerbaijan, 2019, No. 8, Article 1369) Article 921.6 was added in the new content.

[\[544\]](#) Law of the Republic of Azerbaijan [No.936-VIQQdated July 6, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3,2023 , No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)andArticle 925.2 added a new second sentence.

[\[545\]](#) Law of the Republic of Azerbaijan [No.936-VIQQdated July 6, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3,2023 , No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)andArticle 925.3 were repealed.

[\[546\]](#) Law of the Republic of Azerbaijan [No.936-VIQQdated July 6, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3,2023 , No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)added Article 925-1 in new content.

[\[547\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)Article 932 has been repealed.

[\[548\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)In Article 933.1, according to the following are replaced by the words "if each of the following exists

[\[549\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)From Article 933.1.1, the words "in the period stipulated in the insurance contract" have been removed.

[\[550\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)From Article 933.1.2, the words "in accordance with the legislation" have been removed.

[\[551\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)In Article 933.1.3, the word "legislation" has been replaced by the words compulsory insurance laws

[\[552\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)Article 933.3 is added.

[\[553\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)Article 934 has been revised.

[\[554\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQDdated October 29, 2013](#)("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469)Articles 935.3 and 935.4 are added.



[\[556\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) From Article 936.5, the words "according to the legislation" have been removed.

[\[557\]](#) With the Law of the Republic of Azerbaijan [No.97-VIQD dated May 8, 2020](#) ("Azerbaijan" newspaper, July 4, 2020, No. 127, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 822) The second sentence was added to Article 937.1 with a new content.

[\[558\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 937.2, by concluding an assignment contract" were added after the words services

[\[559\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 937.2-1 is added.

[\[560\]](#) Law of the Republic of Azerbaijan [No.329-VIQD dated May 27, 2021](#) ("Azerbaijan" newspaper, June 24, 2021, No. 130, Legislative Collection of the Republic of Azerbaijan, 2021, No. 6, Book I, Article 558) and in Article 937.2-1.4, the words "employee with an insurance agent license were replaced by the words "employees who passed the attestation prescribed by the Law of the Republic of Azerbaijan on Insurance Activities"

[\[561\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 937.3, on the basis of the assignment agreement" were added after the word operations

[\[562\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 938.4 is added.

[\[563\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) Article 938-1 is added.

[\[564\]](#) With the Law of the Republic of Azerbaijan [No.186-VQD dated April 5, 2016](#) ("Azerbaijan" newspaper, April 24, 2016, No. 87, Legislative Collection of the Republic of Azerbaijan, 2016, No. 4, Article 640) In Article 938-1.0.3, the word "related" replaced by the word relevant.

[\[565\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 941.4, the words defined as are replaced by the word "in the form of

[\[566\]](#) By the Law of the Republic of Azerbaijan [No.804-IVQD dated October 29, 2013](#) ("Respublika" newspaper, December 12, 2013, No. 273, Legislative Collection of the Republic of Azerbaijan, 2013, No. 12, Article 1469) In Article 941.6, the words "commission or have been replaced by the word "commission

With the Law of the Republic of Azerbaijan [No. 68-VQD dated December 18, 2015](#) ("Azerbaijan" newspaper, February 2016, No. 39 ; Legislative Collection of the Republic of Azerbaijan, 2016, No. 02, Book I, Article 186) Articles 941.5 and 9 have been revised .

the previous editorial said:

941.5. The insurance intermediary must transfer the insurance (reinsurance) premiums to the des~~ignated~~ ins



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June 24, 2005 No. 949-IIQD "On amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence of Article 944.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~944.2. The rules on the bank account agreement are applied to the relations between the bank and the depositor on the account where the deposit is made, provided that no special case is provided for in the provisions of this chapter of this Code or no special case arises from the nature of the bank deposit agreement. legal entities have no right to transfer money in savings (deposits) to other persons.~~

[568]

945.1 with the Law of the Republic of Azerbaijan No. 821-IIIQD dated May 26, 2009 ("Azerbaijan" newspaper, July 1, 2009, No. 140, Legislative Collection of the Republic of Azerbaijan, 2009, No. 06, Article 404) After the word "banks" and the national operator of postal communication" were added.

[569]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan In the first sentence of Article 945.2 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "him" was replaced by the word "law"

[570]

Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and with a bank or deposit certificate from the second sentence of Article 946.1.

[571]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan In the first sentence of Article 947.2 of the Law of the Republic of Azerbaijan (Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693), the words "the amount of the deposit or its part in a reasonable time satisfactory to both parties, but no later than 15 days" at least a quarter of the deposit amount immediately, and the rest within five banking days at the latest" was replaced by the words.

[572]

Law of the Republic of Azerbaijan [No.214-VIQD dated December 18, 2020](#) ("Azerbaijan" newspaper, December 30, 2020, No. 276, Legislative Collection of the Republic of Azerbaijan, 2020, No. 12, Book I, Article 1435) and the second sentence of Article 950.1 was removed.

[573]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the third sentence of Article 953.2, "documentary" was added after the word "untitled"

[574]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 953.3 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[575]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 953.4 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)



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Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 954.3 after the words "by law and" were added. ✓

[\[577\]](#) 943 with the Law of the Republic of Azerbaijan No. 821-IIIQD dated May 26, 2009 ("Azerbaijan" newspaper, July 1, 2009, No. 140, Legislative Collection of the Republic of Azerbaijan, 2009, No. 06, Article 404) and in articles 954.4, "and the national operator of postal communication" were added after the words "credit institutions"

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, A new second sentence was added to Article 954.4 of the Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094).

[\[578\]](#) June 24, 2005 No. 949-IIQD "On amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 957.4 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[579\]](#) Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 25, 2023, "Azerbaijan" newspaper, December 26, 2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 959.1 have been revised.

The previous editorial said:

~~959.1. The bank must credit the funds received in the client's account no later than the day after the day of receipt of the relevant payment document, provided that the law or the bank account agreement does not provide for a shorter period.~~

[\[580\]](#) Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 25, 2023, "Azerbaijan" newspaper, December 26, 2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 959.2, the word "document" was replaced by the word "order"

[\[581\]](#) Law of the Republic of Azerbaijan [No. 822-VIQD dated February 24, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), March 31, 2023, "Azerbaijan" newspaper, April 1, 2023, No. 66, Legislative Collection of the Republic of Azerbaijan, 2023, No. 3, Article 333) and Article 960.2 after the words "provided that in this Code or" were added.

[\[582\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the words "expenses incurred" in the name of Article 961 were replaced by the words "fees for services"

[\[583\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), "in the cases stipulated in the bank account agreement" from Article 961.1.

The previous editorial said:

~~961.1. In the cases stipulated in the bank account agreement, the client pays for bank services for conducting transactions with funds in the account:~~

Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 25, 2023, "Azerbaijan" newspaper, December 26, 2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 961.1, the word "Customer" was replaced by words "Customer" as provided for in the bank account agreement.

[\[584\]](#) With the Law of the Republic of Azerbaijan [No. 1593-VQD dated May 17, 2019](#) ("Azerbaijan" newspaper, May 2, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 996) in Article 965.2, the word "in

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[585]

Law of the Republic of Azerbaijan No.201-IVQD dated September 30, 2011("Respublika" newspaper, December 28, 2011, No. 282, "Azerbaijan" newspaper December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, article 1073)and in articles 965.2.1 and 965.2.2,documents or issued on the basis of these documents" were addedafter the words"implying"

[586]

Law of the Republic of Azerbaijan [No.1048-VIQDdated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 25,2023, "Azerbaijan" newspaper, December 26,2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621)andin Articles 965.2.1 and 965.2.2, the words "documents or execution document issued on the basis of these documents" are replaced by "payment orders or payment orders issued on the basis of executive documents related to these demands" have been replaced by the words " .

[587]

Law of the Republic of Azerbaijan No. 995-IIQD dated September 20, 2005 (Legislative Collection of the Republic of Azerbaijan, 2005, No. 11, Article 995)in Article 965.2.3in the third place to the state budget", to the non-budgetary state fund for compulsory state social insurance fees" were added.

965.2.3 with the Law of the Republic of Azerbaijan [No. 393-VIQD dated October 29, 2021](#) ("Azerbaijan" newspaper, November 26, 2021 , No. 256 , Legislative Collection of the Republic of Azerbaijan, 2021, No. 11, Article 1206) After the words " to the state fund " , the words "to the compulsory health insurance fund for compulsory health insurance fees " were added to the article .

[588]

Law of the Republic of Azerbaijan [No.1048-VIQDdated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 25,2023, "Azerbaijan" newspaper, December 26,2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621)andArticle 965.2.5after the worddocumentpayment order issued on the basiswere added.

[589]

Law of the Republic of Azerbaijan [No.1048-VIQDdated December 5, 2023](#)(official website of the Azerbaijan State Information Agency (AZERTAC), December 25,2023, "Azerbaijan" newspaper, December 26,2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621)andinArticles 965.2.3, 965.2.4 and 965.2.6, the word "documents" is replaced by the word "orders" replaced by

[590]

Withthe Law of the Republic of Azerbaijan [No.1593-VQDdated May 17, 2019](#)("Azerbaijan" newspaper, June 5, 2019, No. 122, Legislative Collection of the Republic of Azerbaijan, 2019, No. 6, Article 996)In Article 965.3, the word "One"has been replaced by the words "One" unless otherwise provided for in the Law of the Republic of Azerbaijan "On Encumbrance of Movable Property"

Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 25, 2023 , "Azerbaijan" newspaper, December 26, 2023 , No. 283 , In the Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 965.3, the word " documents " was replaced by the words " payment orders " .

[591]

Withthe Law of the Republic of Azerbaijan[No.576-VQDdatedApril 7, 2017](#)("Azerbaijan" newspaper, May 19, 2017, No. 106, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 703)The first sentence of Article 967.2 is given in a new edition.

The previous editorial said:

~~Bank secret information can be given only to customers themselves or their representatives.~~

967.2 of the Law of the Republic of Azerbaijan [No. 1053-VQD dated April 3, 2018](#) ("Azerbaijan" newspaper, May 6, 2018, No. 102 , Legislative Collection of the Republic of Azerbaijan, 2018, No. 5, Article 845) in the second sentence of the arti after the word " individuals " , the words "as well as credit bureaus " were added.

967.2 of the Law of the Republic of Azerbaijan [No. 1444-VQD dated December 28 , 2018](#) ("Azerbaijan" newspa February 9, 2019, No. 32, Legislative Collection of the Republic of Azerbaijan, 2019, No. 01, Article 50) in the first sentenc the article, after the words " to external auditors " , the words "to the financial monitoring body " were added.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan S mation Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , 1 isla

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~~967.2. Information constituting bank secrecy is provided only to the clients themselves and their representatives, as well as to external auditors, the financial monitoring body and the financial market supervisory body. Such information can be given to state bodies and their officials, as well as to credit bureaus only in the cases and in the manner stipulated by the law.~~

[\[592\]](#) Law of the Republic of Azerbaijan [No.1428-VQD dated December 28, 2018](#) ("Azerbaijan" newspaper, December 30, 2018, No. 296, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2518) to the text of Article 968, after the words ~~suspended~~, the words "as well as" **determined by the Law of the Republic of Azerbaijan on Encumbrance of Movable Property** were added.

[\[593\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law" "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 969.2.3 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[594\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan Article 971.2 was added by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~971.2. Settlements between legal entities, as well as settlements conducted with the participation of natural persons and related to their entrepreneurial activities, are carried out in cashless manner. Settlements between these persons can also be made in cash, unless otherwise specified by law.~~

[\[595\]](#) 971.3 with the Law of the Republic of Azerbaijan No. 821-IIIQD dated May 26, 2009 ("Azerbaijan" newspaper, July 1, 2009, No. 140, Legislative Collection of the Republic of Azerbaijan, 2009, No. 06, Article 404) After the words "credit institutions (hereinafter - banks)", "and the national operator of postal communication" were added in the article

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , " Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 971.3 before the words " and post " the words " central depository " were added.

Law of the Republic of Azerbaijan [No. 1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , December 25, 2023 , "Azerbaijan" newspaper, December 26, 2023 , No. 283 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and Article 971.3 have been revised.

The previous editorial said:

~~971.3. Non-cash settlements are carried out through banks, other credit organizations where relevant accounts are opened (hereinafter - banks) , central depository and national operator of postal communication, provided that no separate rules are stipulated by the form of settlements used:~~

[\[596\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, Article 972.1-1 was added in new content with No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094)

[\[597\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law" "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The third sentence was added to Article 974.3 the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693)

[\[598\]](#) Law of the Republic of Azerbaijan [No.1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 25, 2023, "Azerbaijan" newspaper, December 26, 2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) and in the first sentence of Article 975.3, the words "to him at the request of the payee to the payer" and the second sentence of that article is new given in the editorial office.

The previous editorial said:

~~The procedure for drawing up the notification on the execution of the task and the requirements for~~ ent

[599]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) in Article 978.3, the words "separately determined separately" were replaced by the words "this case is determined directly"

[600]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The third sentence was added to Article 980.1 the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[601]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Paragraph 5 has been added to Chapter 53 with new content.

[602]

With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 986-3.2.2, the words "to the Central Bank of the Republic of Azerbaijan" were replaced by the words "to the financial markets control body"

[603]

With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) With the exception of Articles 997-1.1, 1076-6.4.3 and 1076-6.7, the words "relevant executive authority" are replaced by the words "financial market control authority" in the appropriate cases of the noun. has been done.

[604]

Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) to the second sentence of Article 987.1, after the words "released" "compiled" were added.

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21 , 2023 , "Azerbaijan" newspaper, January 22, 2023 , No. 14 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and the second sentence of Article 987.1 have been revised.

The previous editorial said:

The issuer is the person who issued, issued, compiled or gave the security.

[605]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Articles 987.1 and 987.2 have been revised.

The previous editorial said:

~~987.1. A security document is a document confirming any right in accordance with a specified form, without which the right cannot be exercised or transferred to another person. When the security is transferred to another person, all the rights confirmed by him are also transferred.~~

~~987.2. The types of rights confirmed by securities, mandatory requisites of securities, requirements related to the form of securities and other necessary requirements are determined by laws on securities or in the manner determined by them.~~

[606]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 988.1 has been revised.

The previous editorial said:

~~988.1. Any separate claim against the debtor specified in the security is confirmed by that security. The validity of a claim guaranteed by a security does not depend on the existence or validity of the contract giving rise to this claim.~~

[607]



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has been removed, and the words "To the creditor confirmed by the debt security" have been replaced by the words "To the owner of the issuing security" ✓

[\[608\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the first sentence of Article 988.3, the word "debtor" has been replaced by the word "issuer", the words "legal owner" by the word "owner", and the words "legal owner" by the word "owner" in the second sentence.

[\[609\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 988.4 is repealed.

[\[610\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 988.5, the word "owner" is replaced by the word "owner"

[\[611\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) The text of Article 989 is given in a new edition.

The previous editorial said:

~~989.1. A security issued in the name of a certain person is considered a security.~~

~~989.2. The debtor on the registered security must perform the execution only to the person who is the owner of the document and who confirms himself as the person to whom the document was issued or as the legal heir of the person. If the debtor carries out the execution without such approval, he is not released from his obligation to a third party who will prove his authority.~~

~~989.3. If the debtor has reserved the right to enforce against any owner of the document, he has the right to enforce against the owner of the document, but is not obliged to do so.~~

[\[612\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In articles 990.1 and 990.2, the word "debtor" is replaced by the word "issuer"

[\[613\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 991 has been revised.

The previous editorial said:

Article 991. Promissory notes

~~991.1. If the authorized person for the security can appoint another authorized person instead of him by his order, the security is considered a warranted paper.~~

~~991.2. The debtor must carry out the execution only to the person in whose name or order the document is written or to the person who proves that the person is the legal heir of the person.~~

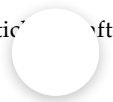
[\[614\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 992 has been revised.

The previous editorial said:

Article 992. Transfer of securities from one category to another

~~A registered or warranted security can be converted into a non-registered security only with the consent of all author and liable persons. This consent must be written in the security itself.~~

[\[615\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) and article 2467 after "investment fund share" and mortgage paper establishing the mortgage right on real estate" were added.



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Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and Article 992, the word " purchased " was replaced by the words " purchased and entered into the state register of securities " .

[\[616\]](#) 992-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) item has been added.

992-1 with the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article has been canceled.

[\[617\]](#) Law of the Republic of Azerbaijan No.247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1102) and Article 992-1.5.

[\[618\]](#) Law of the Republic of Azerbaijan No.247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1102) and Article 992-1.9 have been revised.

The previous editorial said:

~~992-1.9. Securities management is a professional activity of conducting transactions in the securities market for the benefit of the client or for the benefit of a third party indicated by the client, with the securities or funds assigned to the management of the professional participant, owned by the client.~~

[\[619\]](#) Law of the Republic of Azerbaijan No.247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1102) and Article 992-1.11 have been revised.

The previous editorial said:

~~992-1.11. Depository activity is a professional activity for the provision of services for the storage of securities and the accounting and confirmation of the facts of charging them with rights and obligations.~~

[\[620\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 993 has been revised.

The previous editorial said:

~~**Article 993. Transfer of securities to someone else**~~

~~993.1. The right of ownership of a security is granted through the transfer of the right of ownership to the security.~~

~~993.2. A written application for concession of demand is necessary when registered papers are issued. In accordance with Article 521 of this Code, the person who assigns the right to a security to someone else is responsible for the invalidity of the corresponding request, but is not responsible for its non-execution.~~

~~993.3. When issuing warranted securities, it is necessary to make a note (endorsement) about the discount of the demand on the back of the security. The person giving the right to the warranted security (endorser) is responsible not only for the existence of the right, but also for its implementation. Endorsement executed on a security transfers all the rights confirmed by the security to the person to whom the rights on the security are transferred (endorsed).~~

~~993.4. Endorsement can be blank (without specifying the person to be executed) or with warrant (with specifying the person to be executed or by whose order). Endorsement can be limited only by the assignment to exercise the rights confirmed by the security, without giving these rights to the endorser (re-assignment endorsement). In this case, the endorser acts as a representative.~~

~~993.5. The endorsement must meet the following requirements:~~

~~993.5.1. it must contain information about the endorsement and the endorser's signature;~~

~~993.5.2. it should be simple and not conditioned by anything. (Any condition restricting endorsement is invalid. Pa endorsement is also invalid.);~~

~~993.5.3. must be written on the security document or on a sheet attached to it (additional sheet).~~



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993.7. If it is stipulated in the contract or the security itself, the participation of other persons, especially the debtor, is necessary for the transfer of the security to someone else. ✓

[\[621\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in the first sentence of Article 993.1, the word "Undocumented" was replaced by the words "Other undocumented, except for the mortgage paper establishing the mortgage right on real estate"

[\[622\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in Article 993.3, the words "undocumented security" were replaced by the words "other undocumented securities, except for the mortgage document establishing the mortgage right on real estate"

[\[623\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the title and the first sentence of Article 994, the word "Valuable Documentary valuable", in the first sentence, the words "from the person who issued the note the owner from the issuer", in the second sentence, "documentary" after the word "corrupted", "owner" was replaced by the word "owner"

[\[624\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the title of Article 995, the word "Valuable" has been replaced by the words "Documentary Valuable"

[\[625\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the first sentence of Article 995.1, the words "If valuable" are replaced by the words "Documentary valuable", the words "authorized person its owner", in both cases the word "debtor" is replaced by the word "issuer" if a warrant or untitled was replaced by "Untitled" and the word "obligor" was replaced by the word "issuer"

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21 , 2023 , "Azerbaijan" newspaper, January 22, 2023 , No. 14 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and Article 995.1, the words " at the place of residence of the issuing natural person or " were removed.

[\[626\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the first sentence of Article 995.2, the word "valuable documentary valuable", the words "discretionary based on this security its owner", in the second sentence the word "ownership" has been replaced by the words "property right"

[\[627\]](#) The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and Article 996.1 of the Code article is given in the new edition.

The previous editorial said:

996.1. In the cases provided by the law or in the manner established by the law, a person who has received a special permit (license) can determine the rights confirmed by a named or warranted security, including in a paperless form (with the help of computer electronic equipment, etc.). The rules defined for securities are applied to this form of determination of rights provided that no separate rule arises from the characteristics of the determination.

996.1 of the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) the article is given in a new edition.

The previous editorial said:

996.1. In the cases provided by the law or in the manner established by the law, a person who has received a special permit (license) can determine the rights confirmed by a named or warranted security, including in a paperless form (with the help of computer electronic equipment, etc.). The rules defined for securities are applied to this form of determination of rights provided that no separate rule arises from the characteristics of the determination.



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With the Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) In the first sentence of Article 996.1, the word " Undocumented " has been replaced by the words " Other undocumented, except for the mortgage paper establishing the mortgage right on real estate " and the second sentence is given in a new edition.

The previous editorial said:

The legislation on electronic documents does not apply to paperless securities.

[\[628\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) Article 996.2-1 was added in new content with 2467)

[\[629\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Sections 996.3 and 996.4 are repealed.

[\[630\]](#) In Article 997.1 of the Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745), in the name of Chapter 54, Paragraph 9, In the title and text of Article 1078-2, in Article 1078-23.5, the words "mortgage certificate" in the appropriate cases of the noun have been replaced by the words "paper"

[\[631\]](#) Article 997.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) The words "and securities laws" were replaced by the words "certificate of deposit, mortgage certificate, option, futures, mortgage paper, housing certificate and this Code"

Law of the Republic of Azerbaijan No. 247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislative Collection of the Republic of Azerbaijan, 2011 year, No. 12, article 1102) and article 997.1, after the words " housing certificate " , the words "investment fund share " were added.

997.1 of the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) the article is given in a new edition.

The previous editorial said:

~~997.1. Securities include warrants, promissory notes, checks, bonds, shares, commodity papers, deposit certificates, mortgage papers, options, futures, mortgage papers, housing certificates, investment fund shares and other documents included in the list of securities by this Code.~~

[\[632\]](#) Article 997.2 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) second and third sentences added.

997.2 of the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) the fourth and fifth sentences with new content have been added to the article.

997.2 of the Law of the Republic of Azerbaijan [No. 301-VQD dated June 24, 2016](#) (" Respublika " newspaper, July 21, 2016, No. 155 , Legislative Collection of the Republic of Azerbaijan, 2016, No. 7, Article 1248) in the third sentence of the article, the words " or with documents " were added after the word "without documents".

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan S Information Agency (AZERTAC) , August 1 , 2023 , " Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and the words "or documentary" were removed from fourth sentence of Article 997.2.

[\[633\]](#)



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[\[634\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 997.4 has been revised.

The previous editorial said:

~~997.4. Commercial papers are title securities.~~

[\[635\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 997.5 has been revised.

The previous editorial said:

~~997.5. Options and futures are derivative securities. Derivative securities are securities that determine the right to buy or sell any asset (securities, currency, commodity, stock market index, etc.).~~

[\[636\]](#) With the Law of the Republic of Azerbaijan [No.638-VQD dated April 25, 2017](#) ("Azerbaijan" newspaper, July 1, 2017, No. 138, Legislative Collection of the Republic of Azerbaijan, 2017, No. 6, Article 1035) In Article 997.7, "market" is added after the words "securities".

[\[637\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 997.8, after the word "Code" and "Law of the Republic of Azerbaijan on the securities market" were added.

997.8 with the Law of the Republic of Azerbaijan [No. 638-VQD dated April 25, 2017](#) ("Azerbaijan" newspaper, July 1, 2017, No. 138, Legislative Collection of the Republic of Azerbaijan, 2017, No. 6, Article 1035) in the article (in the first case), the word "market" was added after the words "securities".

[\[638\]](#) Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and 997.5-997.9- Cu items have been added.

The Law of the Republic of Azerbaijan No. 430-IIIQD dated October 9, 2007 ([Collection of Legislation of the Republic of Azerbaijan, 2007, No. 11, Article 1053](#)) in Article 997.9, in the first sentence, after the words "applied" shall be replaced by "administratively and (and or)" words were added.

997.9 with the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) item has been cancelled.

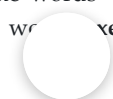
[\[639\]](#) 997-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article has been added.

[\[640\]](#) With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 997-1.1, the words "state body" were replaced by the word "institution".

[\[641\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Paragraph 2 of Chapter 54 is repealed.

[\[642\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1004, the word "warranted" is replaced by the word "named".

[\[643\]](#) With the Law of the Republic of Azerbaijan No.115-IVQD dated May 17, 2011 ("Azerbaijan" newspaper, July 7, 2011, No. 145, Legislative Collection of the Republic of Azerbaijan, 2011, No. 07, Article 586) In Article 561, the words "on execution of court decisions" on "execution", and in Article 1033.1, the words "bailiff" were replaced by the word "executioner".



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and Article 1036 of the Code Articles 1036.4-1036.5 were added to the article.

[\[645\]](#) 1048-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) - article has been added.

[\[646\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1048-1.4 has been revised.

The previous editorial said:

~~1048-1.4. The maturity of the treasury bill cannot exceed one hundred and eighty calendar days. A treasury bill is payable only during the fiscal year in which it is issued. If the treasury bill is issued in the second half of the year, the maturity period should not exceed the period from the date of issuance of the bill to the end of the calendar year.~~

[\[647\]](#) 1048-2 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Article has been added.

[\[648\]](#) With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In Article 1048-2.4, the words "normative legal of the relevant executive authority regulating the securities market and the Central Bank" have been replaced by the words "normative of the financial markets control body".

[\[649\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Paragraph 4 of Chapter 54 is repealed.

[\[650\]](#) The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and Article 1049 Articles 1049.4-1049.9 were added to the article.

[\[651\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1070 has been revised.

The previous editorial said:

Article 1070. Definition of debt obligation in the form of a bond

~~1070.1. A bond is a security confirming the right of its holder to receive the nominal value of the bond or other property equivalent from the person who issued it during the period specified in the bond. A bond may also give its holder the right to receive interest on the face value of the bond or other property rights. A bond that does not provide for interest payments is considered an interest-free bond.~~

~~1070.2. Bonds are untitled debentures or debentures, mortgage certificates, debentures giving the right to participate in the profits of a joint stock company, free new shares, shares with a fixed dividend, etc. can be in the form of~~

[\[652\]](#) Articles 1071-1075 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) removed. The previous edition of the Code stated:

~~Article 1071. Payment of claims arising from debt obligations in the form of bonds~~

~~Claims arising from a debt obligation in the form of an untitled bond are paid thirty years after the beginning of specified period for the performance of the obligation, provided that the document is not presented for payment to the person who issued it until the expiration of those thirty years. If the document is submitted, two years after the expiration of submission period, the request expires due to the expiration of the period. Exercising the right of demand arising from document in court is equivalent to the presentation of the bond. The presentation period for interest-bearing securities, coupons and dividend coupons is four years. The period begins after the end of the year in which the performance of the obligation is due.~~

connection with the opening of the proceedings to declare the document invalid in accordance with Article 995 of this Code.

~~Article 1072. **Annulment of bonds**~~

~~1072.1. Interest-bearing securities coupons, annuity securities and dividend coupons, as well as interest-free debt obligations in the form of bonds, which are payable upon presentation, cannot be declared invalid. This also applies to debt obligations in the form of bonds with non-voidable written on them:~~

~~1072.2. If a debt obligation in the form of bonds is declared invalid, the person who succeeded in issuing this declaration can demand from the person who issued the bond to issue him a new debt obligation in the form of an untitled bond instead of the document declared invalid.~~

~~Article 1073. **Interest-bearing securities coupons, annuity securities and dividend coupons**~~

~~1073.1. If coupons for the payment of interest are issued for a debt obligation in the form of bearer bonds, these coupons shall remain valid even if the principal claim is paid or the obligation to pay interest is canceled or modified, unless otherwise provided in these coupons. If such coupons are not redeemed when the principal is paid, the issuer has the right to withhold the amount due on the coupons:~~

~~1073.2. If coupons, annuities and dividend coupons of interest-bearing securities are lost or destroyed, and their previous owner has notified the issuer of their loss before the expiration of the period of submission, the issuer of the bond may demand payment of them after the expiration of the period. If the lost coupon has been presented to the issuer for payment or payment has been judicially withheld from him, the claim is waived, provided that the presentation of the bond or filing of the lawsuit is not made after the expiration of the period. The requirement expires after four years. This requirement may be waived for interest-bearing securities coupons, annuities and dividend coupons:~~

~~1073.3. It is not allowed to issue new coupons of interest-bearing securities or new annuity bonds in the form of untitled bonds for debt obligations to the holder of the document authorizing the purchase of coupons (certificate on extension); provided that the owner of the debt obligation in the form of bonds does not agree to their issuance. If agreed, the coupons shall be issued to the holder of the debt obligation in the form of a bond, provided that he presents the obligation.~~

~~Article 1074. **Cards, stamps and similar documents**~~

~~Instructions on debt obligations in the form of a bond apply accordingly to cards, stamps or similar documents where the creditor is not indicated, issued by the issuer and indicating the intention of that person to be obliged to perform the performance, depending on the circumstances:~~

~~Article 1075. **Open debt bonds. Mandatory issue prospectus**~~

~~1075.1. Debt obligations (debt bonds) issued for the purpose of borrowing can be issued for public subscription or listed on the stock exchange only on the basis of the issue prospectus. All emissions that are not intended only for a certain group of people are considered open.~~

~~1075.2. The emission prospectus should contain the following information:~~

~~1075.2.1. debts, interest calculation and terms of purchase;~~

~~1075.2.2. specific guarantees specified for bonds;~~

~~1075.2.3. if necessary, representation of creditors on debts.~~

~~1075.3. In other cases, the provisions of Articles 1077.3 and 1077.4 of this Code shall be applied accordingly in the issue of shares.~~

~~Article 1075. **Open debt bonds. Mandatory issue prospectus**~~

~~1075.1. Debt obligations (debt bonds) issued for the purpose of borrowing can be issued for public subscription or listed on the stock exchange only on the basis of the issue prospectus. All emissions that are not intended only for a certain group of people are considered open.~~

~~1075.2. The emission prospectus should contain the following information:~~

~~1075.2.1. debts, interest calculation and terms of purchase;~~

~~1075.2.2. specific guarantees specified for bonds;~~

~~1075.2.3. if necessary, representation of creditors on debts.~~

~~1075.3. In other cases, the provisions of Articles 1077.3 and 1077.4 of this Code shall be applied accordingly in the issue of shares.~~

[653]

By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1076 has been replaced

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No. 3, Article 123 After the words "convertible debentures", "open" is added.



[655] Article 1076.2 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123** Substituted "sections 1077.3 and 1077.4" "section 1078-12" .

[656] 1076-1 to the Code with the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" (**Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123**) -Added items 1076-5.

[657] By the Law of the Republic of Azerbaijan **No.1285-IVQD dated May 15, 2015** ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1076-1.1 has been revised.

The previous editorial said:

~~1076-1.1. Obligations on bonds can be secured by a pledge, a guarantee, as well as by a state or municipal guarantee. Such bonds are referred to as secured bonds.~~

[658] Law of the Republic of Azerbaijan **No.936-VIQD dated July 6, 2023** (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) to Article 1076-1.3, the first of Articles 1076-2.1, 1076-6.8 and 1076-7.1 sentences, the first paragraph of Article 1076-8.1, the second sentence of Article 1076-8.3, Article 1076-10.6, the first sentences of Articles 1076-12.2 and 1076-13.2 after the word **emission prospectus** ("information memorandum") have been added in the appropriate cases of the noun.

[659] With the Law of the Republic of Azerbaijan **No.1285-IVQD dated May 15, 2015** ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the second sentence of Article 1076-1.4, the word "head" was replaced by the word **single executive body or all members of the collegial executive body**

[660] With the Law of the Republic of Azerbaijan **No.1285-IVQD dated May 15, 2015** ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1076-1.6 is repealed.

[661] With the Law of the Republic of Azerbaijan **No.1285-IVQD dated May 15, 2015** ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) The text of Article 1076-2 is given in a new edition.

The previous editorial said:

~~1076-2.1. The guarantor, who is a professional participant of the securities market or a credit institution, acts as a guarantor on his own behalf and for the benefit of the investors, ensuring the fulfillment of the obligations on the secured bonds. There should be no mutual dependence between the issuer and the manager.~~

~~1076-2.2. The executor is defined in the issuer's decision on the issue of bonds and operates on the basis of the contract concluded with the issuer.~~

[662] Law of the Republic of Azerbaijan **No.936-VIQD dated July 6, 2023** (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and Article 1076-2.3 after the word **prospectus** ("information memorandum") were added and in that article "to the financial markets" the words "of the supervisory authority" were replaced by the words **of the Central Bank of the Republic of Azerbaijan**

[663] In Article 1076-3.1 of the Law of the Republic of Azerbaijan No. 315-IIIQD dated April 17, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 8, Article 745**), the words "mortgage certificates" are replaced by "mortgage papers". replaced with the words

1076-3.1 with the Law of the Republic of Azerbaijan **No. 1285-IVQD dated May 15, 2015** ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814)



~~1076-3.1. Only investment securities, certificates of deposit, mortgage papers, mortgage papers and housing certificates can be the subject of collateral for collateralized bonds.~~

[\[664\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1076-3.2, the word "owner" is replaced by the word "owner", and the word "owners" is replaced by the word "owners"

[\[665\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1076-3.4 is repealed.

[\[666\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1076-3.5 has been revised.

The previous editorial said:

~~1076-3.5. Prior to the state registration of pledged bonds, the pledge of securities (including untitled securities) constituting the subject of pledge shall be state registered and frozen in the depository and registry system (if any).~~

[\[667\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1076-3.6, the words "after freezing, mortgagor" have been replaced by mortgagor, after limitation of rights

[\[668\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the first sentence of Article 1076-3.7, the word "property" is the word "property", the word "owner" is the word "owner", the word "payment holding", in the second sentence the word "owner" is the word "owner", "the subject of payment" is replaced by the words "holding the subject"

[\[669\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the first sentence of Article 1076-3.8, the word "owners" has been replaced by the word "owners"

[\[670\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1076-3.9, the word "owners" is replaced by the word "owners"

[\[671\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) 1076-6–1076-13 were added in the new content

[\[672\]](#) Law of the Republic of Azerbaijan [No.807-VIQD dated February 17, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), April 8, 2023, "Azerbaijan" newspaper, April 9, 2023, No. 73, Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445) and Article 1076-8.1.3, the words "mass media" were replaced by the words "media subjects"

[\[673\]](#) By the Law of the Republic of Azerbaijan [No.385-VQD dated November 11, 2016](#) ("Azerbaijan" newspaper, December 30, 2016, No. 291, Legislative Collection of the Republic of Azerbaijan, 2016, No. 12, Article 1998) In the second sentence Article 1076-8.3, the words "registered" were replaced by the words "approved"

[\[674\]](#) With the Law of the Republic of Azerbaijan [No.576-VQD dated April 7, 2017](#) ("Azerbaijan" newspaper, May 19, 2017, No. 106, Legislative Collection of the Republic of Azerbaijan, 2017, No. 5, Article 703) In Article 1076-9.7, the words "Central Bank of the Republic of Azerbaijan" were replaced by the words "Financial Markets Control Authority"

of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 1076-9.7, the words " **Financial Markets Control Authority** " were replaced by the words " **Central Bank of the Republic of Azerbaijan** ".

[675] With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In articles 1076-6.5, 1076-7.3, 1076-9.4, 1076-11.1, the word "legal" is replaced by the word character

[676] Law of the Republic of Azerbaijan [No.807-VIQD dated February 17, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), April 8, 2023, "Azerbaijan" newspaper, April 9, 2023, No. 73, Legislative Collection of the Republic of Azerbaijan, 2023, No. 4, Article 445) and in the first sentence of Article 1076-11.4, in all three cases, the words "mass media" are replaced by the words "media subject" in the appropriate cases of the noun. has been done.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and the first sentence of Article 1076-11.4 (in both cases) the words " (information memorandum) " were added after the word " prospectus " and that in the second sentence, the words " **to the financial markets control body** " were replaced by the words "to the Central Bank of the Republic of Azerbaijan", in the second sentence, the words " **financial markets control body** " were replaced by the words " **the Central Bank of the Republic of Azerbaijan** ", and after the word " prospectus " to that sentence, " (of the information memorandum)) " words were added.

[677] With the Law of the Republic of Azerbaijan [No.385-VQD dated November 11, 2016](#) ("Azerbaijan" newspaper, December 30, 2016, No. 291, Legislative Collection of the Republic of Azerbaijan, 2016, No. 12, Article 1998) In the first sentence of Article 1076-12.2, the words **from the moment of state registration** were replaced by the words **from the moment of approval**

[678] Article 1077.1 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) second sentence added.

1077.1 of the Law of the Republic of Azerbaijan [No. 1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) the first sentence of the article is given in the new edition.

The previous editorial said:

~~A share is a security, confirming membership in a joint-stock company and the right of the owner (shareholder) to receive part of the joint-stock company's profits in the form of dividends, to participate in the management of the joint-stock company's affairs, and the right to a part of the property remaining after the liquidation of the company.~~

[679] Article 1077.2 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#), Articles 1077.3, 1077.4 have been revised. The previous edition of the Code stated:

~~1077.2. Instructions on bearer shares apply to bearer shares, and instructions on warrant securities apply to shares issued in the name of a specific person. The provisions of Articles 1070.1 and 1072 of this Code are also applicable to them.~~

~~1077.3. Shares may be issued or issued for public subscription only on the basis of the issue prospectus. The emission prospectus should contain the following information:~~

~~1077.3.1. information about the issuer in the state register of legal entities;~~

~~1077.3.2. the amount and composition of the shareholder's capital, indicating the number, nominal value and types of shares, as well as the privileges of individual categories of shares;~~

~~1077.3.3. decisions on authorized or conditional capital increase;~~

~~1077.3.4. the amount of fixed dividend shares or dividend coupons and the content of the rights derived from them;~~

~~1077.3.5. together with the auditor's report of the independent auditor, the issuer's last balance sheet and consolidated financial statement, as well as the content of interim balance sheets checked by the auditor if more than 6 months have passed since the date of the balance sheet;~~

~~1077.3.6. dividends paid since the issuer's incorporation or in at least the last 5 financial years of the issuer;~~

~~1077.3.7. the decision of the management body of the joint-stock company on the issue of new shares.~~



[\[680\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Articles 1077.3, 1077.4 and 1077.5, the word "to the owner" is replaced by the word "to the owner"

[\[681\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1077.6, the words "farm" and "as a rule" were removed, and the word "to the owner" was replaced by the word "to the owner"

[\[682\]](#) Article 107 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Sections 1077.5-1077.7 are added.

[\[683\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 7 of Chapter 54 is repealed.

[\[684\]](#) The Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Legislative Collection of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) and Article 1078.1 of the Code in the article, the words "in commodity securities" were replaced by the words "in commodity securities (that is, in securities (warehouse certificate, bill of lading, etc.) that establish the right of the owner to dispose of the commodity specified in the securities and to buy this commodity)"

[\[685\]](#) 8-18 of the Law of the Republic of Azerbaijan No. 566-IIQD dated December 23, 2003 "On Additions and Amendments to the Civil Code of the Republic of Azerbaijan" ([Collection of Legislation of the Republic of Azerbaijan, 2004, No. 3, Article 123](#)) Paragraphs have been added.

[1285-IVQD](#) dated [May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) paragraph 8 of the chapter is given in the new edition.

The previous editorial said:

§ 8. Housing certificate

Article 1078-1. Housing certificate

~~1078-1.1. Housing certificates are documentary securities placed between individuals and legal entities, and if their owners comply with the conditions specified in the terms of issue, they have the right to demand payment from the issuer by transferring the buildings (apartments), the construction (reconstruction) of which is financed from the funds received from the placement of these securities, to their ownership. gives~~

~~1078-1.2. A housing certificate can be a titled or untitled security. The rules for the issuance and circulation of housing certificates are regulated by normative legal acts adopted by the relevant executive power body that regulates the securities market.~~

[\[686\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-2.2, the words "to the legal owner" have been replaced by the word "to the owner"

[\[687\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 1078-2.2-1) Article 1078-2.2-1 was added in new content with [2467](#)

[\[688\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-2.2-1, the words "to the legal owner" have been replaced by the word "to the owner"

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[689]

Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in Article 1078-2.4, the word "Property" was replaced by the words **Property, taking into account the requirements of Article 996.2-1 of this Code**

[690]

By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the first sentence of Article 1078-2.5, the words ", mortgagor and mortgagor" were removed and the word "persons" was replaced by the word **person**

[691]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in Article 1078-2.6, the words "owner (mortgagor or mortgagor)" are replaced by "owner (mortgagor or mortgagor)", the word "mortgagor" is replaced by, the words "mortgagor or mortgagor" are replaced by **"mortgagor or replaced by the words "putting**

With the Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in Article 1078-2.6, the words "written on the pledge paper or mortgage paper" were replaced by the words **"on the pledge paper or mortgage paper"**.

[692]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-2.7 is repealed.

[693]

By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the first sentence of Article 1078-2.8, the words "with the owner (pledger or mortgagee)" were replaced by the words **"with the owner (pledger or mortgagee)"**

[694]

By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) in the first sentence of Article 1078-2.9, the words "Pledge with state-registered securities, including pledge" have been replaced by the word **"Pledge"**

With the Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in Article 1078-2.9, after the words "mortgage paper", the words **"(with the exception of the mortgage paper establishing the mortgage right on real estate)"** were added.

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Articles 997.6 and 1078-2.9 of the Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) have been repealed.

[695]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-2.10 is repealed.

[696]

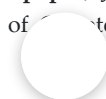
With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 10 of Chapter 54 is repealed.

[697]

With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 12, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) in Article 1078-4.2, after the word **legal**, the words **"including normative character"** were added.

[698]

With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 12 of Chapter 54 is repealed.



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repealed.



[700] 1078-Article 11.5 is given in a new edition.

The previous editorial said:

~~1078-11.5. If the aggregate nominal value of the bond issue together with the aggregate nominal value of the outstanding bonds of the issuer exceeds the amount of its authorized capital or the size of the guarantee given to it by third parties for this purpose, the state registration of those bonds shall not be allowed.~~

[701] In Article 1078-13.4 of the Law of the Republic of Azerbaijan No. 430-IIIQD dated October 9, 2007 (**Legislative Collection of the Republic of Azerbaijan, 2007, No. 11, Article 1053**) , after the word "issuer" "administratively and (or)" were added.

[702] By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-20.2, after the word Code and "Law of the Republic of Azerbaijan on securities market" were added.

[703] With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 1078-20.3 is repealed.

[704] With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-20.4, the words "violations of the law mean "violation of the requirements stipulated in this Code on the conclusion and execution of transactions with securities and the Law of the Republic of Azerbaijan "On the Securities Market"" and "and may suspend execution" are "suspends or freezes the accounts of the parties when the clearing takes place.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Articles 1078-20.4 and 1078-20.6 in the appropriate cases of the noun, the words " financial market control body " in the appropriate cases of the noun, " Central of the Republic of Azerbaijan " The words " Bank " have been replaced.

[705] Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023 , No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and in Article 1078-20.5, the words "financial market control body" were replaced by the words "Central Bank of the Republic of Azerbaijan" and added to that article added second sentence in new content.

[706] With the Law of the Republic of Azerbaijan [No.135-VQD dated March 4, 2016](#) ("Respublika" newspaper, March 13, 2016, No. 57, Legislative Collection of the Republic of Azerbaijan, 2016, No. 03, Article 401) In the second sentence of Article 104.1, Articles 107-2.4, 1048-2.2, 1077.7, 1078-2.9, 1078-20.6, in the relevant cases of the noun, the words "relevant executive authority regulating the securities market" in relevant cases, the words "financial market control authority" have been replaced.

[707] With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-20.7, the words "Named investment" have been replaced by "Investment", the words "broker" and "dealer

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , August 1 , 2023 , "Azerbaijan" newspaper, August 3, 2023 , No. 162 , The Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 10 94) and Article 1078-20.7 (in both cases) after the word " company " the words " or the bank that performs investment services (operations) " has been added.

[708] With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-20.8, the words "relevant executive authority regulating the securities market" in relevant cases, the words "financial market control authority" have been replaced.

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[\[709\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) to the first sentence of Article 1078-20.9 and Article 1078-21.7 after the words "mortgage" (with the exception of the mortgage paper establishing the mortgage right on real estate) and the following sentence were added to the end of those articles, respectively .

[\[710\]](#) Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, Article 1078-20.10-1 was added in new content with No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22)

[\[711\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) in Article 1078-20.11, the word "Indorsement" was replaced by the words "Indorsement, taking into account the requirements of Article 996.2-1 of this Code

[\[712\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Articles 1078-20.9-1078.20.12 have been added in the new content.

[\[713\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the title of Article 1078-21, the words "on papers" have been replaced by the words "confirmed by paper

[\[714\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.1, the word "papers" is replaced by the words "confirmed by paper

[\[715\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.2, the words "on paper" were replaced by the words "confirmed by paper

[\[716\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.3, the word "in the depository the central depository", the words "on papers" were replaced by the words "confirmed by paper", and the word "owner" was replaced by the word "owner".

[\[717\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-21.4 has been revised.

The previous editorial said:

1078-21.4. Rights to registered undocumented securities are transferred by transferring the securities from the "depository" account of the owner to the "depository" account of the new owner.

With the Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) In Articles 1078-21.4 and 1078-22.2, the word " Undocumented " was replaced by the words " Other undocumented, taking into account the requirements of Article 996.2-1 of this Code ."

[\[718\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the first sentence of Article 1078-21.5, the words "on papers" are replaced by the words "confirmed by paper" and the word "owner" is replaced by the word "owner" in the register of securities owners after the words "with and or on the basis of endorsement" words were added, in

[\[719\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.6, the words "identified" were replaced by the words "confirmed" and the words "rights on papers" were replaced by the words "property rights to papers".

[\[720\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.7, the words "To warranted securities" the words "Promissory notes, mortgages and collateral owner" has been replaced by the word "owner", the word "owner" has been replaced by the word "owner".

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, The word "arbitrary" was removed from the first sentence of Article 1078-21.7 with the Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22).

[\[721\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.9, the words "on papers" were replaced by "confirmed by paper", the word "owner" by the word "owner".

[\[722\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-21.10, the word "owner" has been replaced by the word "owner" and the words "on papers" have been replaced by the words "confirmed by paper".

[\[723\]](#) By the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-21.11 was added in the new content.

[\[724\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In the title of Article 1078-22, the words "identified" have been replaced by the word "approved".

[\[725\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-22.1, the word "identified" was replaced by the word "approved" and the word "owner" was replaced by the word "owner".

[\[726\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-22.2, the words "identified" are replaced by the word "approved".

[\[727\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-22.3, in both cases, the word "in the depository" by the words "in the central depository" the words "established" "approved", the word "owner" by the word "owner", the word "owners" by the word "owners".

[\[728\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-23.1 has been revised. The previous editorial said:
~~1078-23.1. Securities may be encumbered with collateral and other obligations provided for by law. It comes into force from the moment of state registration.~~

[\[729\]](#) ~~With the Law of the Republic of Azerbaijan No.1285-IVQD dated May 15, 2015 ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-23.1 has been revised. The previous editorial said:
1078-23.1. Securities may be encumbered with collateral and other obligations provided for by law. It comes into force from the moment of state registration.~~

[\[730\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) payment" is replaced by the word withholding in both cases

Law of the Republic of Azerbaijan [No. 669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, The second sentence of Article 1078-23.4 was removed from the Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22).

[\[731\]](#) Law of the Republic of Azerbaijan [No.1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) and Article 1078-23.5 after the words mortgage paper"(with the exception of the mortgage paper establishing the mortgage right on real estate)" were added.

Law of the Republic of Azerbaijan [No. 936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and in Articles 1078-23.5 and 1078-23.17, the words " financial market control body " were replaced by the words " Central Bank of the Republic of Azerbaijan " . .

[\[732\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) to Articles 1078-23.13, 1078-23.14 and 1078-23.16 after the words "on the stock exchange" and or in the cases stipulated in the Law of the Republic of Azerbaijan "On the Securities Market", when transactions with securities are carried out in another trading system, the words "" are added to that trading system.

[\[733\]](#) Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in Article 1078-23.14, the words "executioners" were replaced by the word executive officers

[\[734\]](#) Law of the Republic of Azerbaijan [No.936-VIQD dated July 6, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 1, 2023, "Azerbaijan" newspaper, August 3, 2023, No. 162, Legislative Collection of the Republic of Azerbaijan, 2023, No. 8, Book I, Article 1094) and Article 1078-23.18, a new second sentence was added.

[\[735\]](#) Law of the Republic of Azerbaijan [No.1048-VIQD dated December 5, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC), December 25, 2023, "Azerbaijan" newspaper, December 26, 2023, No. 283, Legislative Collection of the Republic of Azerbaijan, 2023, No. 12, Book I, Article 1621) added Article 1078-23.18-1 in new content.

[\[736\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Articles 1078-23.6–1078-23.19 have been added in the new content.

[\[737\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-26.4, the word "owners" has been replaced by the word "owners", and the word "owners" has been replaced by the word "owners"

[\[738\]](#) Law of the Republic of Azerbaijan [No.669-VIQD dated December 2, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), January 21, 2023, "Azerbaijan" newspaper, January 22, 2023, No. 14, Legislative Collection of the Republic of Azerbaijan, 2023, No. 1, Article 22) and in Article 1078-26.7, the word "Valuable" was replaced by words "Documentary Valuable"

[\[739\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) and cancellation of the word "owners" in Article 1078-27.1, 1078-27.2, 1078-27.4, 1078-27.5, 1078-27.6

[\[740\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-27.1.1, the word "issuer" is replaced by the words **general meeting of shareholders**

[\[741\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Article 1078-27.1.4-1 was added in the new content.

[\[742\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) In Article 1078-27.2, the word "Placement" is replaced by the words "State registered or upon cancellation" are removed.

With the Law of the Republic of Azerbaijan [No. 1297-VQD dated October 30, 2018](#) ("Azerbaijan" newspaper, December 8, 2018, No. 277, Legislative Collection of the Republic of Azerbaijan, 2018, No. 12, Book I, Article 2467) In Article 1078-27.2, the word "State" is replaced by the words "Other state, except for the mortgage paper establishing the mortgage right on real estate."

[\[743\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 15 of Chapter 54 is repealed.

[\[744\]](#) Law of the Republic of Azerbaijan No.247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1102) and Article 1078-28.1.3 have been revised.

The previous editorial said:

1078-28.1.3. securities management activity;

[\[745\]](#) In the second sentence of Article 28.4, **excluding banks** were added after the words "professional participants of the securities market"

[\[746\]](#) Law of the Republic of Azerbaijan No.247-IVQD dated November 15, 2011 ("Respublika" newspaper, December 25, 2011, No. 280, "Azerbaijan" newspaper, December 29, 2011, No. 289, Legislation of the Republic of Azerbaijan Collection, 2011, No. 12, Article 1102) and Articles 1078-31.1 and 1078-31.2 have been revised.

The previous editorial said:

~~1078-31.1. A professional participant of the securities market who performs securities management activities is called a manager.~~

~~1078-31.2. The transfer of securities or funds to the administrator for management does not cause the transfer of ownership of those securities or funds.~~

[\[747\]](#) 302.8-1, 1078-29.9 and 1078-31.6 in new content with the Law of the Republic of Azerbaijan No. 856-IIIQD dated June 30, 2009 ("Azerbaijan" newspaper, July 24, 2009, No. 160) - items have been added.

[\[748\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 16 of Chapter 5⁴ is repealed.

[\[749\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) Section 17 of Chapter 5 is repealed.



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[\[751\]](#) With the Law of the Republic of Azerbaijan [No.1285-IVQD dated May 15, 2015](#) ("Azerbaijan" newspaper, July 15, 2015, No. 151, Legislative Collection of the Republic of Azerbaijan, 2015, No. 07, Article 814) The second sentence was added to Article 1083.1 with a new content.

[\[752\]](#) Law of the Republic of Azerbaijan [No.452-VIQD dated December 27, 2021](#) ("Azerbaijan" newspaper, December 31, 2021, No. 286, Legislative Collection of the Republic of Azerbaijan, 2021, No. 12, Article 1335) in Article 1084, the word "Game" replaced by the words **Game, excluding lotteries and sports betting**.

[\[753\]](#) December 24, 2004 No. 815-IIQD Law of the Republic of Azerbaijan "On making additions and changes to some legislative acts of the Republic of Azerbaijan in connection with the implementation of the Law of the Republic of Azerbaijan "On Lotteries" ([Collection of legislation of the Republic of Azerbaijan, 2005, No. 2, article 61](#)) and article 1086 of the Code were given in a new edition. The previous edition of the article stated:

~~Article 1086. Agreement on lotteries and prize draws~~

~~1086.1. The demand for lotteries and raffles is created only if the enterprise conducting the lottery or raffles has received a special permit (license) from the Republic of Azerbaijan to conduct them.~~

~~1086.2. In the absence of a special permit (license), there are no requirements for lotteries and prize draws.~~

[\[754\]](#) Law of the Republic of Azerbaijan [No.452-VIQD dated December 27, 2021](#) ("Azerbaijan" newspaper, December 31, 2021, No. 286, Legislative Collection of the Republic of Azerbaijan, 2021, No. 12, Article 1335) and from Article 1086, the words "(of another data carrier)" were removed.

[\[755\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan "On Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan the Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#)), in Article 1089.2, the word "recklessness" was replaced by the words "gross carelessness"

[\[756\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#)), in Article 1089.3, the words "management of affairs" were replaced by the words "conduct of affairs"

[\[757\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#)), in Article 1090.1, "management of affairs" and "management of affairs" are replaced by the words "conduct of affairs" and "conduct of affairs" respectively. has been done.

[\[758\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan ([legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693](#)) in Article 1090.2, "management of affairs", "management of affairs" replaced by the words "conducting affairs" and "conducting affairs", respectively. has been done.

[\[759\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1090.3 was added to the Code by the Law of the Republic of Azerbaijan

[760]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), in Article 1091.1, the words "let him take something from his property" were replaced by the words "let him acquire property at his expense"

[761]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on the Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan" **taking into account the requirements of Article 157.5 of this Code** were added to the beginning of Article 1092.1.1 of the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[762]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence was added to Article 1092.3 the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[763]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan "On Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan The text of Article 1094 of the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~1094.1. A wealthy person has the right to be reimbursed for the expenses he incurred for the item he purchased. If the person who got rich was confident while getting rich, the useful facilities should also be paid for. Otherwise, utilities are reimbursed only if they lead to an increase in value that still exists at the time of return.~~

~~1094.2. Other devices of the enriched person are not paid for. If the benefactor is not offered compensation, he may take back the devices until he returns the item, provided this is possible without damaging the item itself.~~

[764]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1096.3 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~1096.3. Liability for objectively illegal actions may occur in cases defined by law.~~

[765]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1097.2 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~1097.2. If the person who has committed a civil offense (delict) proves that the damage was not caused due to his fault, he is exempted from paying for the damage.~~

[766]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1097.4 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~1097.4. Compensation for damage caused by legal actions must be paid in cases provided by law.~~

[767]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1102 was removed from the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

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~~A natural or legal person who has insured his liability in favor of the victim in voluntary or compulsory insurance shall pay the difference between the insurance payment and the actual amount of the damage if the insurance payment is not sufficient to fully cover the damage caused.~~

[768] With the Law of the Republic of Azerbaijan [No.1722-VQD dated December 3, 2019](#) ("Azerbaijan" newspaper, December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908) In Article 1103.2, the words "in an educational, treatment institution" have been replaced by the words "in a social service institution"

[769] With the Law of the Republic of Azerbaijan [No.1722-VQD dated December 3, 2019](#) ("Azerbaijan" newspaper, December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908) In Article 1103.3, the words "education, upbringing, treatment institution" were replaced by the words "social service institutions"

[770] With the Law of the Republic of Azerbaijan [No.1722-VQD dated December 3, 2019](#) ("Azerbaijan" newspaper, December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908) In Article 1103.4, the words "education, upbringing, treatment institutions" were replaced by the words "social service institutions"

[771] With the Law of the Republic of Azerbaijan [No.1722-VQD dated December 3, 2019](#) ("Azerbaijan" newspaper, December 27, 2019, No. 289, Legislative Collection of the Republic of Azerbaijan, 2019, No. 12, Article 1908) In Article 1104.3, the words "in an educational, treatment institution" have been replaced by the words "in a social service institution"

[772] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the word "given" was replaced by the word "not given" in Article 1104.4

[773] In Article 1107.2 of the Law of the Republic of Azerbaijan No. 313-IIIQD of April 17, 2007 (Collection of Legislation of the Republic of Azerbaijan, 2007, No. 6, Article 560, after the words "narcotics or psychotropic substances" words are added.

[774] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the words "for civil law violation" in the name of Article 1108 "for damage" .

[775] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The second sentence of Article 1108.1 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~1108.1. Violation of civil rights as a result of activities related to high danger to others (use of vehicles, mechanisms, high-voltage electricity, atomic energy, explosives, strong poisons, etc.; implementation of construction activities and other related activities, etc.) physical and legal entities who committed are obliged to pay compensation for the damage caused by a source of high danger, provided that they do not prove that the damage was caused by the influence of an irresistible force or the intention of the victim. The court may fully or partially release the owner of the high danger source from responsibility on the grounds provided for in Articles 1116.2 and 1116.3 of this Code. The duty to compensate for the damage is imposed on the natural or legal person who owns the source of high danger by ownership or other legal basis (by lease, by power of attorney, the right to drive a vehicle, etc.);~~

[776] June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1109 was removed by the Law of the Republic of Azerbaijan

~~The person responsible for the fire shall pay for the damage caused to other persons during fire extinguishing and prevention of its spread to neighboring apartments and buildings.~~

[\[777\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1116 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 1116. Consideration of the victim's guilt and property status of the victim~~

~~1116.1. Damage caused by the victim's intent is not compensated.~~

~~1116.2. If the gross carelessness of the victim caused the damage to occur or increase, the amount of compensation should be reduced depending on the degree of fault of the victim and the perpetrator. In cases where the victim was grossly negligent, the victim was not at fault, and his liability occurred regardless of fault, unless otherwise provided by law, the amount of compensation should be reduced or compensation for the damage should be refused. It is not allowed to refuse to compensate a natural person when his life or health is harmed. The fault of the victim is not taken into account when paying compensation for additional expenses, when paying compensation for damages related to the death of the head of the family, as well as when paying compensation for funeral expenses.~~

~~1116.3. Except for the cases where the damage was caused as a result of intentional actions, the court may reduce the amount of compensation for the damage caused by an individual, taking into account his property situation.~~

[\[778\]](#) Law of the Republic of Azerbaijan No. 742-IIIQD dated December 16, 2008 ("Azerbaijan" newspaper, February 18, 2009, No. 38, Legislative Collection of the Republic of Azerbaijan, 2009, No. 02, Article 47) 1119.4- In articles 1120.2 and 1120.3, the words "from five times the amount of the conditional financial unit" have been replaced by the words "from six manats"

[\[779\]](#) 1119.2 with the Law of the Republic of Azerbaijan No. 782-IIIQD dated April 3, 2009 ("Azerbaijan" newspaper, May 20, 2009, No. 107, Legislative Collection of the Republic of Azerbaijan, 2009, No. 05, Article 295) The words "tax inspectorate" have been replaced by the words "relevant executive authority" in Article

[\[780\]](#) According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial Unit" ([Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835](#)), "minimum wage" in the appropriate cases of the noun "was replaced by the words "conventional financial unit"

[\[781\]](#) According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial Unit" ([Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835](#)), "minimum wage" in the appropriate cases of the noun "was replaced by the words "conventional financial unit"

[\[782\]](#) With the Law of the Republic of Azerbaijan [No.114-VIQD dated May 19, 2020](#) ("Azerbaijan" newspaper, July 15, 2020, No. 136, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 832) In Article 1121.3.4, the word "disabled" was replaced by the words "persons with disabilities"

[\[783\]](#) According to the Law of the Republic of Azerbaijan No. 648-IIIQD dated June 13, 2008 Azerbaijan, 2008, No. 7, Article 602), in Article 1123.4, after the word "disabled", "with limited health capabilities" " words were added.

1123.4 of the Law of the Republic of Azerbaijan [No. 114-VIQD dated May 19, 2020](#) ("Azerbaijan" newspaper, July 15, 2020, No. 136 , Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 832) the words "including " were added after the word " disability " in the article.

1123.4 with the Law of the Republic of Azerbaijan [No. 348-VIQD dated June 22, 2021](#) ("Azerbaijan" newspaper, August 2021 , No. 175 , Legislative Collection of the Republic of Azerbaijan, 2021, No. 8, Article 894) the words " including v limited health facilities " were removed from the article.

[\[784\]](#) With the Law of the Republic of Azerbaijan [No.230-VIQD dated December 22, 2020](#) ("Azerbaijan" news

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[\[785\]](#) According to the Law of the Republic of Azerbaijan No. 48-IQ of December 26, 2000 "On Conditional Financial Unit" (Collection of Legislation of the Republic of Azerbaijan, 2000, No. 12, Article 835), "minimum wage" in the appropriate cases of the noun "was replaced by the words" **conventional financial unit**"

1124.2 of the Law of the Republic of Azerbaijan [No. 230-VIQD dated December 22, 2020](#) ("Azerbaijan" newspaper, January 8, 2021, No. 3 , Legislative Collection of the Republic of Azerbaijan, 2021, No. 1, Article 8) in the article, the words " **Conditional financial unit** " were replaced by the words " **Minimum of living** ", and the words " **notional financial unit** " were replaced by the words " **minimum of living** ".

[\[786\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693), the words "or to the property of a legal entity" were removed from Article 1128.1 and the second sentence was added to the article. The previous edition of the article stated:

~~1128.1. Compensation for damage caused to the life, health or property of a natural person or to the property of a legal entity as a result of construction, recipe or other defects (low-quality product) of the goods, work or service, as well as as a result of incorrect or incomplete information about the goods (work, service) the seller or manufacturer, the person who performed the work or provided the service (executor), must pay regardless of whether he is guilty or not and whether the victim has a contractual relationship with them.~~

[\[787\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1128.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~1128.2. The rules stipulated in Article 1128 of this Code are applied only in cases where goods are acquired (work is performed, services are provided) for consumption purposes, not for use for entrepreneurial purposes.~~

[\[788\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1128.7 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~1128.7. In addition, a person who produces products for sale, rent, lease or in other form for economic purposes in his field of activity, subject to the conditions stipulated in this Code, is considered a producer.~~

[\[789\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" Azerbaijan Article 1129.4 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[790\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1130.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~1130.2. In the following cases, compensation for damage must be paid regardless of the time of its occurrence:~~

~~1130.2.1. if the validity period is not determined in violation of the requirements of the law;~~

~~1130.2.2. if the person to whom the goods are sold, the work performed or the service provided is not warned about necessary actions after the expiration date and the possible consequences if these actions are not performed.~~

[\[791\]](#) June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The word "equal" in Article 1144 of the Law of the Republic of Azerbaijan

[792]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1157-1 was added to the Code by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[793]

Law of the Republic of Azerbaijan No. 648-IIIQD dated June 13, 2008 Azerbaijan, 2008, No. 7, Article 602) in Article 1165.1 after the word "disabled" and children with limited health opportunities" "words were added.

1165.1 of the Law of the Republic of Azerbaijan [No. 114-VIQD dated May 19, 2020](#) ("Azerbaijan" newspaper, July 15, 2020, No. 136 , Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 832) in the article, the words " institutions for the elderly, disabled and children with disabilities " have been replaced by the words "social service institutions for the elderly, persons with disabilities, including children under 18 years of age with disabilities ".

1165.1 with the Law of the Republic of Azerbaijan [No. 348-VIQD dated June 22, 2021](#) ("Azerbaijan" newspaper, August 21, 2021 , No. 175 , Legislative Collection of the Republic of Azerbaijan, 2021, No. 8, Article 894) and in articles 1181.1 , the words "persons with disabilities, including children under 18 years of age with limited health capabilities " were replaced by the words " and persons with disabilities ".

Law of the Republic of Azerbaijan [No. 867-VIQD dated May 2, 2023](#) (official website of the Azerbaijan State Information Agency (AZERTAC) , June 3, 2023 , "Azerbaijan" newspaper, June 4, 2023 , No. 117 , Legislative Collection of the Republic of Azerbaijan, 2023, No. 6, Article 742) and Article 1165.1, the words " social service institutions for the elderly and persons with disabilities, treatment, education and social security " were replaced by the words " social service " and those the words " movable property belonging to those persons, excluding movable property that should be transferred to state ownership by law " were added after the word " if there was ".

[794]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1165.2 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) The previous edition of the article stated:

~~1165.2. If there are no heirs of the property in the form of shares or share in joint property, this property is transferred to those legal entities.~~

[795]

June 24, 2005 No. 949-IIQD "On amendments and additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On the approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The word "equal" in Article 1178 of the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693) was replaced by the words "in proportion to their shares"

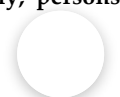
[796]

With the Law of the Republic of Azerbaijan No. 159-IVQD dated June 10, 2011 ("Azerbaijan" newspaper, August 10, 2011, No. 174, Legislative Collection of the Republic of Azerbaijan, 2011, No. 08, Article 750) In Article 1179.2, the words "local self-government body" were replaced by the words relevant executive power bodies

[797]

According to the Law of the Republic of Azerbaijan No. 648-IIIQD dated June 13, 2008 Azerbaijan, 2008, No. 7, Article 602 the words "and the elderly" in Article 1181.1 , "children with disabilities" , the elderly" were replaced by the words, and after the words "the head doctor of the house" "the head of the special educational institution" were added.

1181.1 of the Law of the Republic of Azerbaijan [No. 114-VIQD dated May 19, 2020](#) ("Azerbaijan" newspaper, July 2020, No. 136 , Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 832) in the article, the words disabled, disabled children, nursing home " were replaced by " social service institutions for the elderly, persons with disabilities, including disabled children under 18 years of age ".



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the Republic of Azerbaijan, 2022, No. 8, Article 828) and Article 1183, the words "Deaf and deaf and blind" were replaced by the words "Speech-hearing and sight-impaired" ✓

[\[799\]](#) Law of the Republic of Azerbaijan [No.581-VIQQ dated July 8, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 19, 2022, "Azerbaijan" newspaper, August 20, 2022, no. 177, Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, article 828) and in article 1183.1, the words "deaf-mute or deaf-mute" are replaced by "if the person is completely speech-hearing impaired or speech-hearing impaired" was replaced by the words "limited"

[\[800\]](#) Law of the Republic of Azerbaijan [No.581-VIQQ dated July 8, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 19, 2022, "Azerbaijan" newspaper, August 20, 2022, no. 177, Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, Article 828) and Article 1183.2, the word "Blind" replaced by the words "Visually impaired."

[\[801\]](#) Law of the Republic of Azerbaijan [No.581-VIQQ dated July 8, 2022](#) (official website of the Azerbaijan State Information Agency (AZERTAC), August 19, 2022, "Azerbaijan" newspaper August 20, 2022, no. 177, Legislative Collection of the Republic of Azerbaijan, 2022, No. 8, Article 828) and Article 1183.3 of the words "if he is deaf-mute-blind or deaf-blind" "if a person with completely limited speech-hearing-vision abilities and or the speech-hearing-vision ability" was replaced by the words "completely limited".

[\[802\]](#) With the Law of the Republic of Azerbaijan No.159-IVQQ dated June 10, 2011 ("Azerbaijan" newspaper, August 10, 2011, No. 174, Legislative Collection of the Republic of Azerbaijan, 2011, No. 08, Article 750) In Article 1187, the name of the article is given in a new edition.

The previous editorial said:

Storage of the will at the notary

[\[803\]](#) With the Law of the Republic of Azerbaijan No.159-IVQQ dated June 10, 2011 ("Azerbaijan" newspaper, August 10, 2011, No. 174, Legislative Collection of the Republic of Azerbaijan, 2011, No. 08, Article 750) Article 1187.1 has been revised.

The previous editorial said:

1187.1. The testator can put the will written and signed by his own hand in an envelope and give it to the notary (or other relevant official) in the presence of three people; presence of those persons is confirmed by their signatures on the envelope.

[\[804\]](#) With the Law of the Republic of Azerbaijan No.159-IVQQ dated June 10, 2011 ("Azerbaijan" newspaper, August 10, 2011, No. 174, Legislative Collection of the Republic of Azerbaijan, 2011, No. 08, Article 750) In the text of Article 1187.2, the words "in another relevant official" have been replaced by the words "in the consulates of the Republic of Azerbaijan"

[\[805\]](#) June 24, 2005 No. 949-IIQQ "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The third sentence was added to Article 1194 by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[806\]](#) June 24, 2005 No. 949-IIQQ "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1199 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[807\]](#) June 24, 2005 No. 949-IIQQ "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1204 was removed by the Law of the Republic of Azerbaijan (legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693

[\[808\]](#) With the Law of the Republic of Azerbaijan [No.1672-VOD dated October 8, 2019](#) ("Azerbaijan" newspaper, August 19, 2019, No. 177, Legislative Collection of the Republic of Azerbaijan, 2019, No. 08, Article 750) Article 1187.1 has been revised.

[809]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan "On Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law" Azerbaijan Article 1243.4 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[810]

By the decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated December 26, 2023 ("**Respublika**" newspaper, **December 28, 2023, No. 285**) 1246 of the Civil Code of the Republic of Azerbaijan, which defines the special acceptance condition and period for the right of inheritance, and 1273-1 were deemed invalid as they do not comply with the constitutional principle of proportionality and the guarantee of the right of inheritance established in Part VII of Article 29 of the Constitution of the Republic of Azerbaijan and the legal positions reflected in the descriptive-justifying part of this Decision.

[811]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of Article 1246 of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~Inheritance can be accepted within six months from the day of its opening.~~

[812]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The words **less than three months and up to three months**" in Article 1247 of the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, article 693**) "if **less than six weeks, and up to six weeks**" .

[813]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of Article 1251 of the Law of the Republic of Azerbaijan (**Collection of Legislation of the Republic of Azerbaijan, 2005, No. 8, Article 693**) The previous edition of the article stated:

~~Article 1251. **Consequences of selling individual items from the inheritance**~~

~~If the items included in the inheritance are sold before the start of the dispute, the purchase and sale is considered valid and remains valid, and the amount taken from the sale of the items is given to the true heir.~~

[814]

By the decision of the Plenum of the Constitutional Court of the Republic of Azerbaijan dated December 26, 2023 ("**Respublika**" newspaper, **December 28, 2023, No. 285**) 1246 of the Civil Code of the Republic of Azerbaijan defining the special acceptance condition and period for the right of inheritance and 1273-1 were deemed invalid as they do not comply with the constitutional principle of proportionality and the guarantee of the right of inheritance established in Part VII of Article 29 of the Constitution of the Republic of Azerbaijan and the legal positions reflected in the descriptive-justifying part of this Decision.

[815]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1273-1 was added to the Code by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**)

[816]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1277 was removed by the Law of the Republic of Azerbaijan

[817]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and to the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan Article 1295 was removed by the Law of the Republic of Azerbaijan

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[819]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law "Azerbaijan the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), "as a joint debtor" were added after the word "in copy" in Article 1306.1

[820]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1306.3 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

The previous edition of the article stated:

~~1306.3. Heirs who have received a compulsory share are also responsible for the debts of the bequeather.~~

[821]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1310 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 1310. Time period for submitting creditors' claims~~

~~1310.1. Creditors of the bequeather must submit their claims against the heirs who have accepted the inheritance within six months from the day they were informed of the opening of the inheritance, regardless of whether they have expired or not.~~

~~1310.2. If the creditors of the heirs were not aware of the opening of the inheritance, they must file a claim against the heirs within one year from the date of its expiration.~~

~~1310.3. Failure to comply with these rules causes creditors to lose their right to claim.~~

[822]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1311 was removed by the Law of the Republic of Azerbaijan The previous edition of the article stated:

~~Article 1311. Application of general claim periods~~

~~1311.1. Creditors' claim period applies to demands for care and treatment of the decedent during his last illness, payment of wages, funeral, protection and management of inheritance, as well as claims for recognition of property rights of third parties and claims for property belonging to them. is not done.~~

~~1311.2. The general claim periods are applied to the claims specified in Article 1311.1 of this Code.~~

[823]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan Article 1316 was removed by the Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693** The previous edition of the article stated:

~~Article 1316. Provision of creditors~~

~~The heirs must pay the demands of the creditors through one-time payments, unless otherwise specified in the agreement between them.~~

[824]

June 24, 2005 No. 949-IIQD "On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijan The text of Article 1317 of the Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693** The previous edition of the article stated:

~~In order to protect the interests of absent heirs, executors and general interests, the notary at the place where inheritance is opened takes necessary measures for the protection of the inheritance at the initiative of the interested parties, executor of the will, or at his own initiative. These measures continue until the inheritance is accepted by all the heirs or at the end of the specified period for the acceptance of the inheritance.~~



Codes

It is in force

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Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 1318 has been revised. The previous edition of the article stated: ✓

~~Article 1318. Duty of the notary body to protect the inheritance~~

~~If the inheritance or its part is not in the place where the inheritance is opened, the notary authority instructs the notary authority in the place where the property is located to take measures for the protection of that property.~~

[\[826\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan on Approval, Entry into Force of the Civil Code of the Republic of Azerbaijan and Related Legal Regulation Issues" and the Civil Code of the Republic of Azerbaijan approved by that law"AzerbaijanArticle 1319 was revised bythe Law of the Republic of Azerbaijan (**Legislative Collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**The previous edition of the article stated:

~~Article 1319. Listing of property~~

~~In order to protect the property, the notary authority registers the inheritance and gives it to the heir or another person for safekeeping, and also takes measures to search for the heirs who are not in the place where the inheritance was opened.~~

[\[827\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**), Article 1320 has been revised. The previous edition of the article stated:

~~Article 1320. Appointment of property administrator~~

~~If there is a need to manage the property, as well as if the heir's creditors have filed a claim, the notary body appoints the property manager. An administrator is not appointed unless at least one heir has received the estate or an executor has been appointed.~~

[\[828\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" AzerbaijanArticle 1321.3 was added to the Code bythe Law of the Republic of Azerbaijan (**legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**

[\[829\]](#)

June 24, 2005 No. 949-IIQD"On Amendments and Additions to the Law of the Republic of Azerbaijan and the Civil Code of the Republic of Azerbaijan approved by that law "On approval, entry into force of the Civil Code of the Republic of Azerbaijan and related legal regulation issues" Azerbaijanthe Law of the Republic of Azerbaijan (**Legislative collection of the Republic of Azerbaijan, 2005, No. 8, Article 693**),in the first sentence of Article 1322, the word"**during**was replaced by the words"**after passing**"

