

GRATA INTERNATIONAL (AZERBAIJAN)

In keeping with GRATA's practice of informing clients regarding important legal developments that might influence their business, we draw your attention to the important recent changes in Azerbaijani legislation.

A new Regulation on “Opening, maintaining and closing bank accounts” was adopted

According to the Resolution of the Central Bank of the Republic of Azerbaijan #04/2 dated 4 February 2022, the Rules on “Opening, maintaining and closing bank accounts” from 10 June 2019 have ceased to be legally valid, and a new Regulation on “Opening, maintaining and closing bank accounts” was adopted.

The new Regulation determined new rules applied to opening bank accounts. Hence, individuals and legal entities intended to open bank accounts in the Republic of Azerbaijan are required to provide banks with initial information regarding them. Such information includes *data identifying the individual and indicating the purpose of transactions presumed to be carried out through the bank account and data identifying the legal entity (including its end-beneficiaries, number of employees, the amount of the charter capital, etc.) and indicating the purpose of transactions presumed to be carried out through the bank account*, but is not limited to it.

The following significant change has been made to the procedure for opening a bank account at a distance (remotely). Thus, it is not allowed to open a bank account to clients through an authorized representative (except the legal representative of a legal entity), as well as to non-resident legal entities remotely.

As per the changes, the opening of a bank account to a new customer remotely, including the execution of account opening documents, is carried out in the following order:

- (i) with enhanced electronic signature and video call for resident legal entities and individual entrepreneurs, as well as non-resident individuals;
- (ii) with enhanced electronic signature and video call or enhanced customer authentication and video call for resident individuals.

In addition, several changes have been made to the list of documents required to be submitted to banks for opening bank accounts.

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“GRATA Azerbaijan” Law Firm

Bashir Safaroghlu street 133, “SAT Plaza” Business Center, 13 th floor, Baku, AZ1009, Azerbaijan

Tel.: +994 (12) 594-60-10

E-mail: baku@gratanet.com

www.gratanet.com

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