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Code on Administrative Offences in Azerbaijan

On June 22, 2021 a new provision (445-1.7) was added to Article 445 of the Code of Administrative Offences. The respective new provision sets out administrative liability for the violation of the requirements with respect to payments on procurement contracts under the Public Procurement Law of Azerbaijan. Such violation of payment terms includes:

- ▶ failure to make payments under a procurement contract in a manner, amount and timeline specified in tender conditions and special conditions of the procurement contract;
- ▶ failure to make payments within the period specified in a procurement contract that have to be paid after completing full performance of the procurement contract (including the period of technical assurance) and preparing supporting documents of such completion; and/or
- ▶ failure to make interest payments to a contractor that are accrued under a procurement contract due to unreasonable delay of payment.

It should be noted that state officials are penalized by a fine from AZN 3,000 up to AZN 6,000 for the abovementioned violation.

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