

Approved  
The Central Bank of the Republic  
of Azerbaijan  
Resolution № 45/1

28 November 2016

## **Regulations on currency operations of residents and non-residents in the Republic of Azerbaijan**

### **1. General provisions**

1.1. These Regulations have been developed in line with the Laws of the Republic of Azerbaijan on Currency Regulation, on Banks, on Postal Service, on Protection of Foreign Investments and regulate currency operations of residents and non-residents conducted via banks (except for banks operating in the Republic of Azerbaijan, local branches of foreign banks, and the national operator of postal communication (hereinafter – banks)).

1.2. Currency operations of residents and non-residents specified herein comply with the requirements of the Law of the Republic of Azerbaijan on Legalization of Criminally Obtained Funds and Other Property and the Financing of Terrorism.

### **2. Definitions**

2.1. The definitions herein shall bear the following meanings:

2.1.1. bank account – current, savings, deposit and other accounts opened for customers in the bank balance;

2.1.2. imported services – services supplied and works done by non-residents in the Republic of Azerbaijan, as well as services supplied and works done outside the country in favor of residents.

2.2. The definitions – ‘foreign currency’, ‘residents’, ‘non-residents’, and ‘currency operations’ used for the purposes of these Regulations are understood as specified in the Law of the Republic of Azerbaijan on Currency Regulation, ‘the national operator of postal communication’ – as specified in the Law of the Republic

of Azerbaijan on Postal Communication, and 'commercial notification' – as specified in the Law of the Republic of Azerbaijan on Electronic Trade.

### **3. Foreign currency operations without opening bank accounts**

3.1. Foreign currency denominated money transfers in and from the Republic of Azerbaijan without opening bank accounts are conducted solely by resident and non-resident individuals. Resident and non-resident legal entities are not allowed to conduct foreign currency denominated money transfers without opening bank accounts.

3.2. Banks receive and pay funds on any money transfers received in favor of resident and non-resident individuals without opening banks accounts with no limits. The transferred foreign currency funds are either paid to a funds receiver in cash or transferred to his/her bank account by his/her order.

3.3. Resident and non-resident individuals may transfer foreign currency denominated funds outside the Republic of Azerbaijan without opening a bank account in the amount of USD 1000 (one thousand) per operation day and USD 10.000 (ten thousand) equivalent within a month.

### **4. Foreign exchange operations on banks accounts**

4.1. Funds, received in cash and non-cash to foreign currency accounts of residents and non-residents may be freely credited to their accounts by banks without any limits.

4.2. Transfers in foreign currency within the Republic of Azerbaijan from bank accounts of residents and non-residents are maintained without any limits upon observing the requirements of Section III, Article 19 of the Constitution of the Republic of Azerbaijan.

4.3. Foreign currency denominated transfers from bank accounts from the Republic of Azerbaijan are conducted on the following types of operations:

4.3.1. operations on funds transferred, including advance payments by residents and non-residents, on reimbursement for goods and services imported to the Republic of Azerbaijan;

4.3.1.1. when payment is related to import of goods, the original of an import agreement, or a notice, reflecting the purpose of payment, and information on imported goods, invoice or other documents, as well as a customs declaration confirming import of goods, are delivered to the bank (when a customs declaration is developed electronically, a bank account holder should ensure that the document is obtained electronically).

4.3.1.2. when payment is related to import of services, a service agreement, or a notice reflecting the purpose of payment, amount and information on services, an

invoice or other documents, as well as documents confirming supply of services (an acceptance act or another document), are delivered to the bank.

4.3.1.3. in case of advance payment, a document reflecting the purpose, terms and conditions and amount of payment, is delivered to the bank. At that within 180 (one hundred and eighty) days upon payment a customs declaration confirming import of goods to the country or supply of imported services is delivered to the bank. If goods are not imported, services not supplied or advance payment not refunded within the said period, a bank delivers all documents related to advance payment to the Financial Markets Supervisory Authority of the Republic of Azerbaijan within 2 (two) days to impose enforcement measures stipulated in Article 430.4 of the Code of Administrative Offences of the Republic of Azerbaijan.

4.3.1.4. cost of goods (services) on the import agreement may be paid only by the person who buys goods (services).

4.3.1.5. if an import agreement is signed for the favor of the third party, cost of goods (services) may be paid by the third party who buys goods (services) and/or the person who enters into the agreement under the terms and conditions of the import agreement. Such payments are executed by delivery of a relevant agreement and a customs declaration verifying import of goods (services) to the country (document confirming supply of services) in the order specified in sub-items 4.3.1.1 and 4.3.1.2 herein. If advance payment is implied during such operations, an advance payment regime specified in sub-item 4.3.1.3 herein shall apply.

4.3.2. transfers of residents and non-residents on re-export operations. If such transfers are executed prior to receiving funds from a foreign country for purchased goods, supplied services or works done, an advance payment regime specified in sub-item 4.3.1.3 herein shall apply.

4.3.3. refund by residents and non-residents on prepaid but not executed export agreements. Such transfers are made by delivery of a bank document confirming advance debit of the payment on an export agreement to accounts of those persons.

4.3.4. transfers to branches and representative offices of resident legal entities, as well as affiliates and subsidiaries upon declaration of the purpose.

4.3.5. transfers directed at repayment of loans attracted from abroad, and other debt liabilities, interest, commissioning fees and fines and penalties on the said debt liabilities. Such payments shall be made upon delivery of a contract verifying obtaining of a loan or a document confirming creation of other debt liabilities by residents and non-residents.

4.3.6. transfers related to maintaining residents' and non-residents' court, arbitrage, and notary expenses, state duties, other mandatory payments, tuitions, pensions, and similar transfers, as well as transfer of amounts on non-resident's heritage (funds received on heritage, or sale of inherited property). Such transfers are made on the basis of documents reflecting the core and purpose of payments.

4.3.7. transfers by residents and non-residents for the following purposes (at that an agreement between parties, invoice confirming the purpose and amount of payment, or electronic commercial notice is presented as documentary evidence):

4.3.7.1. payment of participation fees at international organizations, conferences, exhibitions and other events;

4.3.7.2. payment of subscription fees for or placement of announcements in foreign print products, libraries, databases and bulletins (including electronic);

4.3.7.3. payment of tuitions and medical treatment fees by residents and non-residents of themselves or other individual(s);

4.3.7.4. payment for use of copyright, patent, and franchising;

4.3.8. transfers for personal use:

4.3.8.1. transfers of close relatives (spouses, parents, including mother-in-laws, father-in-laws, grandparents, grandchildren, children, adoptees, sisters and brothers) of a resident individual; such transfers may be conducted in the amount of USD 10000 (ten thousand) equivalent over a month on the basis of documents confirming relationship.

4.3.8.2. transfer of foreign currency of a resident or a non-resident individual previously brought to the Republic of Azerbaijan in cash or transferred to the individual's bank account from abroad, including funds received to that individual's name from abroad without opening a bank account via a money transfer system. Such transfers shall be maintained by presenting relevant debit documents (original customs declaration for cash funds (when the document is developed electronically, a bank account holder shall ensure electronic obtaining of the said document), or a bank document confirming receipt of funds to the bank account from abroad, or receipt of funds via the money transfer system) to the bank;

4.3.8.3. transfer of a resident or a non-resident individual, in the amount of USD 1000 (one thousand) per operation day, and USD 10000 (ten thousand) equivalent a month upon declaration of the purpose except for the cases specified in sub-items 4.3.8.1 and 4.3.8.2 herein;

4.3.9. transfers related to payment of dividends for non-residents. When such payments are made, a document confirming participation of a non-resident in capital (property) of a resident legal entity (share in share investment fund, in a pool of property), as well as documents including terms and conditions of and amounts of payments of dividends are delivered to a bank;

4.3.10. transfers by non-residents for the purpose of repatriation of foreign investments to the economy of the Republic of Azerbaijan. Such transfers are made by delivery of documents to the bank confirming foreign investments (when funds are brought to the Republic of Azerbaijan in cash, a customs declaration confirming that they were brought to the Republic of Azerbaijan or an excerpt from a bank account confirming transfer of funds to the Republic of Azerbaijan and a documentary evidence on investment of those funds);

4.3.11. transfers related to the income non-residents earned with respect to investments to the Republic of Azerbaijan and other amounts, including compensations and loss coverage amounts. Such transfers are made upon delivery of a reference confirming payment of relevant taxes of tax authorities or tax agencies, or a relevant documentary evidence on tax exemption to the bank;

4.3.12. transfers related to payment of salaries to non-resident employees, residents and non-residents attract from abroad under labor agreements. Such transfers are made on the basis of an agreement reflecting terms and conditions and amounts of salary payment;

4.3.13. the following currency operations of resident and non-resident individuals and legal entities with respect to capital movement based upon relevant documentary evidences:

4.3.13.1. transfers on investments to authorized capital of the legal entity founded outside the Republic of Azerbaijan;

4.3.13.2. transfers with the purpose of purchase of securities;

4.3.13.3. transfers on payment for the property right on buildings, including land and subsurface, devices, as well as the property right on other real estate under the host country legislation, and other rights on real estate.

4.4. If imported goods and services are implied for the needs of defense and national security, and if there is a special assignment (decision, order, request, instructions) of the Cabinet of Ministers of the Republic of Azerbaijan for the execution of transfers specified in sub-item 4.3.1 herein, transfers are made without requiring any import contracts, customs declarations and other documents. In this case, a copy of the document confirming the special assignment is kept with the bank.

## **5. Documentary evidences on currency operations**

5.1. Currency operations of residents and non-residents are maintained by delivery of the documents specified herein to the bank.

5.2. A bank makes a note on documents confirming imported goods and services (if the amount in the document is not transferred in full, the amount executed shall be indicated), the bank's responsible person signs and puts a stamp on the document, and a copy of the document is kept with the bank. The bank makes a note on the front side of the customs declaration confirming import of goods, as well as bringing of foreign currency in cash to the country. If payment on the customs declaration is made in full or in the amount of last outstanding amount, the original of the document shall be kept with the bank that executed the final payment.

5.3. If the customs declaration confirming the currency operation is developed electronically, a bank's responsible person electronically makes a note on the document on full or partial execution of the payment.