

Rules on registration of grants¹

Approved

by Decision of the Cabinet of Ministers

of the Republic of Azerbaijan No. 216,

dated 5 June 2015

The RULE

on Registration of Grant Agreements (Decisions)

1. General Provisions

1.1. This Rule is prepared in accordance with paragraph 4-2 of Article 4 of the "Law on the Grants" (hereinafter-the Law) of the Republic of Azerbaijan.

1.2. The Rule regulates the registration of Agreements (decisions) on Receiving (Awarding) Grants by physical and legal entities, as well as sub-grant, grant additions, also in exclusion of the donations, assistance formalized in other forms for purposes as indicated in paragraph 1 of Article 1 of the Law (hereinafter the agreement (decision)). The requirements of the Rule on registering the grant agreements (decisions) also apply to sub-grants and additional contracts related to grant agreement (decision), changes to duration, purpose, the grant amount in the respective agreements.

1.3. The registration of agreements (decisions) is carried out by the Ministry of Economy and Industry of the Republic of Azerbaijan, with respect to commercial entities; the State Committee on Affairs with Religious Institutions of the Republic of Azerbaijan, with respect to religious organizations; the Ministry of Justice of the Republic of Azerbaijan (hereinafter the registration body), with respect to other non-commercial entities and natural persons.

1.4. Agreements (decisions) on provision of grants by donors, who are legal or natural persons of the Republic of Azerbaijan, as well as the branch and representative office of legal entity of the Republic of Azerbaijan to foreign recipients shall be presented by donors to the registration body for registration. Agreements (decisions) received by the recipients of the Republic of Azerbaijan shall be presented by the recipients to the registration body for registration.

1.4-1. submission of documents on registration of a grant agreement(decision) that were made with foreign donors envisaged in part 5 of article 2 of the Law and obtaining the opinion on financial-economic expedience of a grant shall be carried out based on 'one-stop-shop' principle in accordance with Decree # 339 of the Cabinet of Ministers of the Republic of Azerbaijan of 22 October 2015 'On Rules on obtaining the right to provide grants in the Republic of Azerbaijan by foreign donors'.

1.5. Agreement (decision) must be submitted to the registration body for registration not later than 30 (thirty) days from the date it is signed (issued).

¹ These Rules have been translated by the EU delegation in Azerbaijan and edited by BLCD. The changes made on 11 January 2017 have been tracked by MG Consulting LLC.

1.6. Relevant information on the grant awarded from the state budget must be submitted by the donor to the registration body registering the grant agreement (decision) not later than 7 (seven) days, in accordance with the form as in Annex 5 of the Rule.

1.7. Banking operations and any other operations regarding the unregistered grant agreements (decisions) shall not be executed.

1.8. Banking operations shall be carried out on the basis of notification confirming registration of the agreement (decision).

1.9. The registration body must provide general information to the mass media on registered grant agreements (decisions) at least once a year.

1.10. If a nature (subject) of a grant agreement (decision) is to provide services and works, in this case the agreement can be registered as a service contract.

2. Documents to be submitted for registration of agreements (decisions)

2.1. For registration of grant agreement (decision), the following documents shall be attached to the applications specified in annexes 1-4 of the Rule:

2.1.1. the original copy of the agreement (decision), as well as an additional agreement (decision) or amendments thereto signed by the parties;

2.1.2. the original copy of the planned project for implementation under the respective agreement (decision) signed by the parties;

2.1.3. a copy of the identification document of a natural person acting as a donor (recipient);

2.1.5. if the application is submitted by a person on behalf of persons indicated in paragraph 1.4 of the present Rules as well as if the agreement (decision) is signed by a person who is not a legal representative, a copy of the relevant power of attorney of that person (in cases when the power to sign documents on registration of an agreement is not indicated in the agreement itself);

2.2. Documents compiled in foreign country also must be legalized or apostil must be given. If the documents are in a foreign language, their translation shall be attached.

3. Issues examined by the registration body

3.1. For issuance of the notification by the registration body, the following shall be examined:

3.1.1. Compliance of the submitted documents and implementation of envisaged activities under respective agreement (decision) to the laws of the Republic of Azerbaijan, the charter (regulation) of the grant recipient, as well as compliance of agreement (decision) terms with the grant concept;

3.1.2. The conformity of grants awarded by organizations financed from the state budget of the Republic of Azerbaijan with the activity areas of their organizations;

3.1.3. Compliance of the recipient with criteria indicated in paragraph 2 of Article 3 of the Law and receiving grant from donors specified in Article 2 of the Law;

3.1.4. The relevant authority of the person who signed the agreement (decision);

3.1.6. Submission of the documents specified in paragraph 2.1 of the Rule and the accuracy of the information provided in these documents;

3.1.7. In case of the organization awarding a grant is the state body, this organization must be in the list as specified in paragraph 2 of Article 2 of the Law;

3.1.8. In accordance with paragraph 3 of Article 4 of the Law, over the period of project implementation, if terms of changing the direction of grant funds, the sale and change into money of values provided as a grant or at the expense of the grant are not specified in the agreement (decision), the written permission of a donor shall be provided.

3.1.9. Clarity of the provisions of agreement (decision) and accurate description of the envisaged activities to be implemented.

3.1.10. Checking if the non-governmental organization and branch or representation of a foreign non-governmental submitted the annual financial report to the Ministry of Finances of the Republic of Azerbaijan.

4. Rule of registering agreements (decisions)

4.1. The registration body, in the absence of grounds for suspension or rejection for registration, which are contained in Section 2 of the Rule, shall register the agreement (decision) within 15 days and provide notification to the applicant legal or natural person. In case of additional scrutiny of the documents or matters specified in Sections 2 and 3 of the Rule is required, notification period can be extended for another 15 (fifteen) days.

4.1-1. In case when opinion of the Ministry of Finances on financial-economic expediency of a grant of a foreign donor is needed, the time flow of registration of a grant agreement (decision) shall start the day after the opinion on expediency of that grant reaches the registration body.

4.2. Registration of agreement (decision) shall be executed in the annual registration book. An individual registration number is issued per each recorded agreement (decision). Individual registration number shall be specified in the bank documents when bank operations are conducted under respective agreement (decision).

4.3. The registration book shall be in thick cardboard face, thick and quality paper, strongly bound 34 cm x 27 cm in size, laced up and stamped. The number of the book, the year and the numbers indicating the start and end of individual registration number of the agreement must be specified in the book (for example, C1, 2015, Grant No. 1-50). Registration book shall be closed when the year is over and a new book shall be compiled for the next year.

4.4. The Registration book consists of 2 sections, allocating 1 page per each agreement (Section 1-“General Information” (donor, recipient, agreement date, duration, contact telephone numbers, e-mail), Section 2-“Information on Grant agreement (decision)” (grant agreement (decision) name, the purpose, information on implementation of the planned project under the respective agreement (decision), amount of grant agreement (decision), information on additions and revisions/changes

of the registered agreement (decision) (date and number), note) and is conducted in accordance with the form specified in Annex 7 of the Rule.

4.5. Individual grant registration number, agreement registration date and the page number shall be indicated at the right top of every page of the book.

4.6. In case deficiencies are identified in the submitted documents that are not grounds for rejection, the registration body shall suspend the registration of the agreement (decision), return the documents to the applicant and provide additional 10 (ten) working days to correct the deficiencies.

5. Cases of rejection of registration of agreements (decisions)

5.1. Registering of agreements (decisions) by the registration body shall be rejected in the following cases:

5.1.1. if documents specified on paragraph 2.1 of the Rule are not submitted;

5.1.2. if deficiencies are identified as a result of examination on matters specified in paragraph 3.1 of the Rule;

5.1.3. if the information described in the application and (or) the attached documents are falsified;

5.1.4. if the deficiencies identified by the registration body are not eliminated in accordance with the period specified in paragraph 4.6 of the Rule.

5.1.5. if the grant of a foreign donor is considered as financial-economically non-expedient or if the opinion on financial-economic expediency of a grant was rejected.