

‘Approved’  
Central Bank of  
the Republic of Azerbaijan  
Decision № 07/4  
08 February 2024

## **Regulation on test purchase of financial services (products)**

### **1. General provisions**

1.1. This Regulation has been developed in accordance with Article 48.3.6 of the Law of the Republic of Azerbaijan ‘on the Central Bank of the Republic of Azerbaijan’.

1.2. This Regulation determines the procedure for the arrangement of the test purchase of financial services (products) by banks, non-bank credit institutions, professional participants of the insurance market, investment companies and other licensed persons in the securities market, investment funds, investment fund managers, payment institutions, electronic money institutions, payment system operators, credit bureaus and other persons designated as the persons supervised by the Central Bank of the Republic of Azerbaijan (hereinafter – the Central Bank) under the laws regulating financial markets (hereinafter – supervised entity) to protect the rights of consumers and investors.

### **2. Definitions**

2.1. The definitions used in this Regulation bear the following meanings:

2.1.1. test purchase – a supervisory measure taken by the Central Bank to collect information about financial services (products) offered by a supervised entity and market behavior with customers, to assess the level of service to customers, as well as find out the compliance of its activities with legal acts regulating financial markets.

2.1.2. a person involved in the test purchase – a Central Bank employee or a third party engaged by the Central Bank who purchases or applies to purchase the service (product) offered by the supervised entity for testing purposes.

### **3. Requirements for the arrangement and realization of the test purchase**

3.1. The test purchase is provided to supervise activities of the supervised entity, as well as complete other supervisory measures imposed by the Central Bank. A purchase for testing purposes can also be conducted to investigate the complaints received by the Central Bank regarding the provision of financial services or the information published in media about violations and shortcomings committed in this field, as well as study the need to amend the legislation on financial services (products).

3.2. Prior to the test purchase, the authorized person(s) of the Central Bank identifies/identify the service (product) covered by the test purchase and the supervised entity, and a scenario capturing the process of the test purchase is developed.

3.3. The test purchase is conducted through secret observations, phone calls, mail and e-mail, entering the places where the service (product) is provided, the official website and digital platforms.

3.4. Test purchases are conducted in the days and hours considered to be the working hours of the supervised entity, and in real time for online services.

3.5. A test purchase is conducted by one or more persons without announcement to the supervised entity.

3.6. Third parties corresponding to the target group (customer profile) of the service (product) covered by the purchase may be involved in the test purchase, and in this case, agreements concluded between the Central Bank and those persons contain confidentiality provisions.

3.7. The test purchase is conducted without taking actions that would hinder the reputation of the supervised entity and its employees, as well as the current activity of the supervised entity.

#### **4. Actions taken in relation to violations revealed in consequence of test purchase**

4.1. If, in consequence of the test purchase, a violation or deficiency is identified in the activity of the supervised entity, the Central Bank notifies the supervised entity electronically or by mail confirming its receipt within 7 (seven) working days from the day of the test purchase. The notification specifies the place, time, type of financial service (product), defects and shortcomings identified by the test purchase.

4.2. The supervised entity which received the notification submits an explanation (objection) to the Central Bank within 3 (three) working days. If the explanation (objection) provided by the supervised entity is not deemed reasonable, the Central Bank issues a binding instruction to the supervised entity, depending on the nature of the violations (shortcomings) identified during the test purchase, or takes other supervisory measures provided for in the laws regulating financial markets.