

'Registered'
The Ministry of Justice
Management
The Republic of Azerbaijan
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Minister _____F.F.Məmmədov

'Approved'
by Resolution of the
Board of the Central Bank
of the Republic of Azerbaijan
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Protocol N 18

Chairman of the Management Board
_____E.S.Rustamov

Regulations
on accounting of other assets and liabilities in the
banking system of the Republic of Azerbaijan

1. General provisions

- 1.1. These Regulations have been developed in accordance with the Law of the Republic of Azerbaijan on the Central Bank of the Republic of Azerbaijan, The Law on Banks and Banking Activity, and other legislative acts of the Republic of Azerbaijan and determine the rules for accounting of other assets and liabilities in the banking system of the Republic of Azerbaijan (hereinafter – the Bank).
- 1.2. In financial statements accounts in the 'other assets and liabilities' group are used to maintain accounting of pre-payments, unidentified amounts and other temporary and incidental accounts receivable and payable.

2. Classification of transactions

- 2.1. In financial accounts **other assets** are classified on the following accounts:
- other accounts receivables;
 - unidentified amounts;
 - pre-payments;
 - prepayments to purchase fixed and intangible assets;
 - deferred expenses;
 - prepayments to buy/sell foreign currency;

- other amounts due and other assets.

2.2. In financial accounts **other liabilities** are classified on the following accounts:

- other accounts payables;
- unidentified amounts;
- salary to be paid to staff and other amounts;
- dividends to be paid to shareholders;
- deferred income;
- advances received to buy/sell foreign currency;
- other amounts due and other liabilities.

3. Accounting

Other assets:

- 3.1. Other receivables account records accountable transactions, settlements on salaries to employees, debts to staff and customers on various bank transactions and bank's business activities and other transactions of relevant nature.
- 3.2. The unidentified amounts account records the amounts improperly written-off from bank and customer accounts and related to a particular account and other transactions of relevant nature.
- 3.3. The pre-payments account records prepayments by the bank for any goods, works (excluding fixed and intangible assets) or services.
- 3.4. The prepayments for purchase of fixed and intangible assets account records prepayments made to purchase fixed or intangible assets.
- 3.5. The deferred expenses account records expenses incurred over the reported period but accounted to future period. These expenses are written off from that account at the period they relate to and recorded as expenses in relevant expenses account.
- 3.6. The prepayments to buy/sell foreign currency account records prepayments to buy/sell foreign currency.
- 3.7. The amounts due and other assets account records settlements with particular legal entities and individuals (settlements on communication, various utilities, plastic card operations, funds written off from customer accounts and others).

Other liabilities:

- 3.8. The other payables account records banks debts to its staff and customers on various bank operations, bank debts on its business activities (for goods bought on hire purchase but not paid for and others), on rent, balances of customers' closed accounts and other transactions of relevant nature.
- 3.9. The unidentified amounts account records amounts received but not identified by the bank.
- 3.10. The salary to be paid to staff and other amounts account records bank's settlements with its own staff.
- 3.11. The dividends to be paid to shareholders account records dividend debts of the bank to its shareholders.
- 3.12. The deferred income account records income generated over the reported period but related to a future period. The income of the type includes the income whose economic efficiency relates to a future period and written off from that account at the period it relates to and recorded in the relevant income account.
- 3.13. The advances received to buy/sell foreign currency account records advances received to buy/sell foreign currency.
- 3.14. The amounts due and other liabilities account records settlements with particular legal entities and individuals (settlements on communication, various utilities, plastic card operations, funds written off from customer accounts and others).

4. Final provisions

- 4.1. These Regulations take effect on the date of state registration.