

‘Approved’

Financial Markets Supervisory Authority
of the Republic of Azerbaijan
Resolution № 1851100005
08 October 2018

Acting Chairman of the Management Board

Ibrahim Alyshov

**Regulations on issue, registration and circulation of shares of joint-stock companies
created as a result of transformation of state enterprises**

1. General provisions

1.1. These Regulations have been developed in accordance with Article 5.11 of ‘State Program II on privatization of state property in the Republic of Azerbaijan’ approved by Decree No 383 of the President of the Republic of Azerbaijan dated 10 August 2000 and regulate the issue, registration and circulation of shares of joint-stock companies (hereinafter – shares) created as a result of transformation of state enterprises.

2. Issue and registration of shares

2.1. The issuer acquires the right to place shares from the moment of state registration of the share issue.

2.2. State registration of shares is carried out by the Financial Markets Supervisory Authority of the Republic of Azerbaijan (hereinafter - the FIMSA) at the request of the State Committee on Property Issues of the Republic of Azerbaijan (hereinafter - the Committee).

2.3. The Committee presents the following documents to the FIMSA for state registration of issue of shares:

2.3.1. an application for state registration of shares;

2.3.2. notarized copies of the certificate on state registration of the issuer as a legal entity and its Charter or certified in accordance with the procedure established by Article 9 of the Law of the Republic of Azerbaijan ‘on Administrative Proceedings’;

2.3.3. a copy of the decision of the Committee (order) on transformation of a state enterprise to a joint-stock company.

2.4. The decision (order) on transformation of a state enterprise to a joint-stock company should include the following:

2.4.1. the name of the authorized body that made the decision (order) to transform the state enterprise into a joint stock company and the date of adoption of the decision (order);

2.4.2. full name and legal address of the issuer;

2.4.3. nominal value of a share;

2.4.4. total number of shares;

2.4.5. types of shares;

2.4.6. form of shares;

2.4.7. the order of placement of shares;

2.4.8. the rights of a shareholder established with one share and obligations of the issuer before shareholders.

2.5. The FIMSA state registers the share issue within 15 (fifteen) days from the date of submission of the documents specified in Item 2.4 herein and delivers an extract from the state register of securities to the Committee.

2.6. The grounds for refusing to register a share issue are as follows:

2.6.1. the content of submitted documents and the information contained therein are not compliant with the requirements of these Regulations;

2.6.2. the documents that are the basis for registration of shares include inaccurate or distorted information.

2.7. If the cases specified in Item 2.6 herein are identified, the FIMSA notifies the Committee in writing on the refusal to state register the issue of shares.

2.8. If the FIMSA refuses to register the issue of shares, the documents submitted for the state registration of shares are not returned.

3. Circulation of shares

3.1. Trading and other kind of alienation of shares is carried out in accordance with the Civil Code and the legislation on privatization of state property.

3.2. Final information on the sale of shares of the joint-stock company is submitted by the Committee to the National Depository Center. The National Depository Center forms a register of shareholders on the basis of the submitted documents and ensures issuance of relevant documents confirming the ownership of shareholders on shares.