

“Approved”
State Committee for
Securities of the Republic of
Azerbaijan
Resolution №10-q
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Chairman

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Regulations on the minimum amount of the charter capital of licensed persons in the securities market and its formation

1. General provisions

- 1.1. These Regulations have been prepared in accordance with Articles 61.9 and 31.3 of the Law of the Republic of Azerbaijan “On Securities Market” (hereinafter - the Law) and regulate the minimum amount of the charter capital of an investment company, stock exchange, clearing house and investment fund depository, and rules of its formation.

2. Minimum amount of the charter capital of an investment company, stock exchange, clearing house and investment fund depository

- 2.1. The minimum amount of the charter capital of the stock exchange shall be set at 1 (one) million manat.
- 2.2. The minimum amount of the charter capital of the clearing house shall be set at 1 (one) million manat.
- 2.3. The minimum amount of the charter capital of the investment fund shall be set at 1 (one) million manat.
- 2.4. The minimum amount of the charter capital of an investment company (category B) for provision of core investment services specified in Articles 30.3.1-30.3.4 of the Law and ancillary investment services specified in Article 30.4 of this Law shall be set at 75 (seventy five) thousand manats.
- 2.5. The minimum amount of the authorized capital of an investment company (category A) for the provision of core investment services provided for in Articles 30.3.5-30.3.7 of the Law shall be set at 300 (three hundred) thousand manats.

3. Rules of formation of the authorized capital of an investment company, stock exchange, clearing house and investment fund depository

- 3.1. Payment of the authorized capital of the investment company, stock exchange, clearing

house and investment fund depository shall be made only in cash.

- 3.2. Funds received from the placement of shares of an investment company, stock exchange, clearing house and depository of investment funds when forming or increasing the authorized capital shall be kept in a special account opened with member banks of the clearing house. These funds can only be placed in the form of deposits or short-term government securities in these banks before the approval of the report on the results of the issue of shares.
- 3.3. After approval of the report on the results of the issue, these funds shall be used in accordance with the business plan of the investment company, stock exchange, clearing house, investment fund depository.

4. Transitional provisions

- 4.1. In case of reorganization of persons licensed for professional activities in the securities market (exchange, depository, clearing, brokerage, dealer, asset management) and acting as a limited liability company, in the form of a joint-stock company upon obtaining a license to carry out the relevant activities as prescribed by law, payment of their authorized capital shall be made by other property specified in Article 103.1 of the Civil Code of the Republic of Azerbaijan, in addition to monetary funds.
- 4.2. The amount of the authorized capital formed in accordance with the requirements provided for in paragraph 4.1 of these Regulations may not exceed the total capital reflected in the report prepared before the reorganization of the legal entity and approved by the external auditor.