

**“Approved”**

State Committee for Securities  
of the Republic of Azerbaijan  
Resolution № 15  
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**Chairman**

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**Regulations on opening and maintaining cash accounts and making money transfers by the depositary of the investment fund**

**1. General provisions**

- 1.1. These Regulations have been developed in accordance with the Law of the Republic of Azerbaijan “On Investment Funds” and the Regulation “On the State Committee for Securities of the Republic of Azerbaijan” approved by the Decree of the President of the Republic of Azerbaijan No. 70 dated 5 March, 2009 and determine the rules for opening and maintaining cash accounts and making money transfers for investment funds by the depositary of the investment fund acting in the territory of the Republic of Azerbaijan.
- 1.2. Cash accounts defined by these Regulations shall be opened for investment funds and depositaries.
- 1.3. Investment funds shall be independent in choosing a depositary when opening cash accounts, but each investment fund may have only one depositary, except in cases where its assets are located outside the country.
- 1.4. The depositary shall ensure the opening of separate cash accounts for investment funds and the maintenance of its assets separately from the assets of investment funds.
- 1.5. The depositary of the investment fund (further - the Depositary) is a professional participant of the securities market having a special permit (license) on implementation of depositary activities.

**2. Cash accounts opened by depositary**

- 2.1. The depositary shall open and maintain current cash accounts and make money transfers for investment funds for the purpose of accounting and maintenance of the fund's assets, as well as settlements on asset-related transactions.
- 2.2. Placement of shares of a joint-stock investment fund, funds received during the period of formation of a mutual investment fund shall be placed only in the form of deposits in banks and (or) in short-term government securities.

- 2.3. Current cash accounts shall be opened for keeping cash received during the placement of shares of a joint-stock investment fund and placement of shares of a mutual investment fund, as well as for settlements on asset transactions.
- 2.4. Current cash accounts shall be opened in the name of the manager, indicating the name of the investment fund, and shall contain information that the management of the fund is under its management.
- 2.5. The manager shall submit payment orders on investment funds' cash accounts to the depository. Payment orders shall be drawn up in the form prescribed by law, with a clear indication of the purpose of payment.
- 2.6. Verification and execution of payment orders submitted by the manager shall be carried out in accordance with the legislation.
- 2.7. If the depository is a member of the Interbank Settlements System of the Republic of Azerbaijan, it shall:
  - 2.7.1. carry out cash management operations of investment funds through its correspondent account with the Central Bank;
  - 2.7.2. open a separate current cash account in the name of the manager of the internal information system for the purpose of accounting of cash flows and balances of each investment fund;
  - 2.7.3. open a current cash account for each currency. It is not allowed to open several current cash accounts in the same currency on one investment fund;
  - 2.7.4. check and execute the instructions given by the manager on the placement of the fund's cash in accordance with the legislation, the investment declaration and the rules of the fund. Verification of the instructions given by the manager, the conditions of refusal to perform them shall be reflected in the contract concluded between the depository and the manager of the investment fund.
- 2.8. If the depository is not a member of the Interbank Settlements System of the Republic of Azerbaijan, it shall
  - 2.8.1. carry out cash management operations of investment funds through its correspondent account with the Central Depository;
  - 2.8.2. open a cash balance account for each investment fund in the internal information system. It is inadmissible to open several cash balance accounts in the same currency for one investment fund;
  - 2.8.3. apply to the Central Depository after checking the compliance of the payment order issued by the manager on the placement of funds of the investment fund with the legislation, the investment declaration and the rules of the fund. Verification of the instructions given by the manager and the conditions for their refusal by the depository shall be reflected in the agreement concluded between the depository and the manager of the investment fund or the joint-stock investment fund.
- 2.9. The Central Depository shall open a correspondent account for each currency in its internal information system. The Central Depository shall open a correspondent account with the Central Bank for the purpose of depositing and managing the funds of depositaries. The Central Depository shall keep records of funds on correspondent accounts in its internal information system.

- 2.10. It is inadmissible to use the funds of the investment fund in the depositary as security for the fulfillment of the depositary's own obligations and the obligations of third parties.
- 2.11. Transactions on accounts opened for investment funds shall be regulated by the legislation of the Republic of Azerbaijan on banking activities.
- 2.12. In case of liquidation of the depositary, the manager shall conclude a temporary contract with the Central Depository for the purpose of providing depositary services to the investment fund until the end of the procedure for selection and approval of a new depositary of the investment fund and transfer the cash from current cash accounts of that depositary opened for investment funds to the account of the Central Depository (by indicating cash balances of each investment fund). The Central Depository shall keep separate cash records of investment funds in its internal information system.

### **3. Opening cash accounts**

- 3.1. The following documents shall be submitted to the depositary for the purpose of opening current cash accounts for joint-stock investment funds:
  - 3.1.1. a duly completed Application-Survey confirming samples of signatures and stamps (Appendix 1);
  - 3.1.2. a notarized copy of the charter of the joint-stock investment fund;
  - 3.1.3. a notarized copy of the state registration certificate of the joint-stock investment fund;
  - 3.1.4. a copy of the issue prospectus of the joint-stock investment fund;
  - 3.1.5. a copy of the document on state registration of the share issue of the joint-stock investment fund;
  - 3.1.6. a notarized copy of the declaration of the joint-stock investment fund;
  - 3.1.7. a notarized copy of the license issued to the joint-stock investment fund;
  - 3.1.8. notarized copy of the manager's charter;
  - 3.1.9. notarized copy of the manager's state registration certificate;
  - 3.1.10. notarized copy of the license issued to the manager;
  - 3.1.11. a notarized copy of the agreement between the joint-stock investment fund and the manager on the management of the joint-stock investment fund's assets intended for investment purposes.
- 3.2. The following documents shall be submitted to the depositary for the purpose of opening current cash accounts for mutual investment funds:
  - 3.2.1. a duly completed Application-Survey confirming samples of signatures and stamps (Appendix 1);
  - 3.2.2. a notarized copy of the decision on the establishment of a mutual investment fund by the manager;
  - 3.2.3. notarized copy of the rules of management of the mutual investment fund adopted by the manager and registered by the state;
  - 3.2.4. a notarized copy of the investment declaration accepted by the manager of the mutual investment fund;
  - 3.2.5. a notarized copy of the manager's charter;
  - 3.2.6. a notarized copy of the manager's state registration certificate;
  - 3.2.7. a notarized copy of the license issued to the manager;

- 3.2.8. a notarized copy of the manager's agreement on the management of the mutual investment fund's assets.
- 3.3. When the right to dispose of the account opened in the depository is delegated to other persons, a new Application-Survey shall be submitted.
- 3.4. The following documents shall be submitted by depositories when opening correspondent accounts with the Central Depository:
  - 3.4.1. a duly completed Application-Survey confirming samples of signatures and stamps (Appendix 1);
  - 3.4.2. a notarized copy of the depository's charter;
  - 3.4.3. a notarized copy of the state registration certificate;
  - 3.4.4. a notarized copy of the license issued to the depository.
- 3.5. In the cases provided for in paragraph 2.12 of these Regulations, the liquidation commission or other persons shall be required to submit the following documents to the Central Depository in order to open a correspondent account in accordance with the legislation:
  - 3.5.1. a duly completed Application-Survey confirming the samples of signatures and stamps (Appendix 1);
  - 3.5.2. decision of the relevant management body on voluntary liquidation of the depository and establishment of the liquidation commission (the decision shall specify the persons who have the right to dispose of the account);
  - 3.5.3. court decision on compulsory liquidation or declaration of bankruptcy of the depository, as well as appointment of a person determined by the legislation of the Azerbaijan Republic;
  - 3.5.4. a set of documents specified in paragraphs 3.1 and 3.2 of these Regulations and relating to investment funds.
- 3.6. Opening cash accounts specified in these Regulations shall be formalized by a cash account agreement concluded between the depository and the account holder. The cash account agreement shall be signed by the senior official of the depository or its authorized person.
- 3.7. The depository shall refuse to conclude a cash account agreement in the following cases:
  - 3.7.1. if the documents required for opening a cash account do not meet the requirements of the legislation;
  - 3.7.2. if the submitted documents contain inaccurate or distorted information;
  - 3.7.3. if the depository does not have the opportunity to hire the account holder or this is not allowed by the legislation of the Azerbaijan Republic;
  - 3.7.4. if there are reasonable doubts that the cash account will be used for money laundering and terrorism financing operations;
  - 3.7.5. by a court decision.
  - 3.7.6. If the depository refuses to open an account, except for the case provided for in paragraph 3.7.4 of these Regulations, the applicant shall be notified in writing of the reasons for refusal at his/her request. In this case, the depository shall keep copies of the documents submitted for opening the account.

#### **4. Responsibilities of the depositary related to the maintenance of cash accounts of the investment fund**

- 4.1. The Depositary shall have the following responsibilities related to the maintenance of cash accounts of investment funds:
  - 4.1.1. receive and keep the funds belonging to investment funds and the original documents confirming the rights to them;
  - 4.1.2. take necessary actions in accordance with the legislation when conclusion of transactions with funds belonging to investment funds is in conflict with investment declaration, fund rules, issue prospectus, these Regulations and other legislative acts of the Republic of Azerbaijan or when there are reasonable doubts that the cash account is intended to be used for operations related to money laundering and terrorism financing;
  - 4.1.3. keep records of the value of funds belonging to investment funds and transactions held with them;
  - 4.1.4. seize cash accounts on the basis of a decision of the competent authorities in cases provided for by law;
  - 4.1.5. suspend monetary operations on cash accounts in connection with the exercise of the powers provided for in paragraph 4.1.2 of these Regulations;
  - 4.1.6. encumber cash kept on cash accounts with liabilities, release them from encumbrances and keep records of encumbrance facts on the basis of documents submitted by the investment fund or manager.

#### **5. Cash accounts closing**

- 5.1. Termination of the cash account agreement is the basis for closing the cash account.
- 5.2. Cash account agreement shall be terminated in the following cases:
  - 5.2.1. in case of change of the investment fund's depositary and submission of supporting documents provided for by the legislation to the previous depositary;
  - 5.2.2. in other cases stipulated by cash account agreement;
  - 5.2.3. at request of the depositary or by court decision in cases stipulated by the legislation of the Republic of Azerbaijan.
- 5.3. When the cash account is transferred to another depositary at the request of the manager, all documents on account registration shall be kept in the depositary, but delivered to the depositary receiving the account on the list of claims against the account holder by mail, registered letter or official delivery. The handover act drawn up by the depositary's authorized persons shall be kept in the folder of legal documents on account opening. When the customer transfers to another depositary, the balance of the closed account shall be transferred to that depositary.
- 5.4. Correspondent accounts of depositaries shall be closed in the following cases:
  - 5.4.1. at request of the depositary;
  - 5.4.2. in case of revocation of the license issued for carrying out depositary activity;
  - 5.4.3. by court decision.

**Appendix 1**  
**to the Regulations on opening and**  
**maintaining cash accounts and making**  
**money transfers by the depositaries of the**  
**investment fund**

**APPLICATION-SURVEY**

\_\_\_\_\_  
*(full name of the investment fund, manager and depositary)*

I hereby request to open \_\_\_\_\_  
*type of account*

and submit the following documents and information to open the abovementioned account:

1. FULL NAME \_\_\_\_\_

2. SHORTENED NAME \_\_\_\_\_

3. CERTIFICATE ON STATE REGISTRATION \_\_\_\_\_

Series \_\_\_\_\_ № \_\_\_\_\_ Issued “ \_\_\_\_\_ ” \_\_\_\_\_ year

Name of issuing authority \_\_\_\_\_

4. LEGAL ADDRESS

\_\_\_\_\_

5. ACTUAL ADDRESS

\_\_\_\_\_

6. BANK REQUISITES

\_\_\_\_\_

7. NUMBER OF THE TAXPAYER REGISTRATION CERTIFICATE

\_\_\_\_\_

8. PHONE(S):

\_\_\_\_\_

FAX

9 LIST OF PERSONS ENTITLED TO DISPOSE OF ACCOUNT:

| Last name, first name,<br>patronymic name | SIGNATURE<br>SAMPLE | IDENTITY<br>INFORMATION | PHONE |
|-------------------------------------------|---------------------|-------------------------|-------|
|                                           |                     |                         |       |
|                                           |                     |                         |       |
|                                           |                     |                         |       |

10. DOCUMENTS RECEIVING FORM:

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(personally, by courier)

11. STAMP SAMPLE:

This survey is signed by the person who has the right to initially sign it. The signatory is responsible for the completeness and accuracy of the information provided. If the information contained in the survey changes, it shall be reported in writing.

L.S.

\_\_\_\_\_ / \_\_\_\_\_ /

SIGNATURE:

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