

**“APPROVED”**

State Committee for Securities  
under the President of the  
Republic of Azerbaijan  
Order №159

19 September 2000

Chairman \_\_\_\_\_ H. Babayev

**REGULATIONS  
ON ISSUANCE AND CIRCULATION OF TREASURY BILLS IN THE  
REPUBLIC OF AZERBAIJAN**

**1. General provisions**

- 1.1 These Regulations have been developed in accordance with the Civil Code of the Republic of Azerbaijan, the Law of the Republic of Azerbaijan on Securities, the Regulations on the State Committee on Securities under the President of the Republic of Azerbaijan approved by the Presidential decree No. 161 from July 26, 1999 and the Regulations on the Circulation of Promissory Notes in the Republic of Azerbaijan.
- 1.2 These Regulations shall regulate the payment of budget funds applied to departments, enterprises and organizations financed from the budget by the Central Treasury of the Ministry of Finance of the Republic of Azerbaijan and local treasuries (hereinafter - treasury) (further - the budgetary organization), as well as the payment of debts of the budget to all enterprises and organizations (not depending on their ownership form) in the form of promissory notes (hereinafter - the issuance of treasury bills) and the circulation of these bills.
- 1.3 Treasury bill is a simple promissory note issued for the purpose of deferred repayment of funds to be issued from the state budget or to attract free funds from legal entities for a short period of time.
- 1.4 The amount of the treasury bill shall not exceed the amount of financing provided for the budget organization.
- 1.5 It is not allowed to pay salaries, surcharges, pensions and benefits, food, medicine and travel expenses provided for budget organizations in the form of treasury bills.

## **2. Rules of issue and use of treasury bills**

- 2.1 The treasury bill shall be issued in the prescribed manner on a single standard form. The name of the promissory note shall be indicated as 'Treasury Bill' instead of 'Own (solo) promissory note' in that form.

All other details of the treasury bill are the same as the details of a simple bill.

All requirements of the legislation applicable to a promissory note shall apply to the treasury bill, with the exception of the right to aval and sue.

- 2.2 The treasury bill shall be issued in the following cases:

2.2.1 if there are not enough funds at the disposal of the treasury during the payment of funds to budget organizations;

2.2.2 in case of attracting funds to meet the current needs of the budget;

2.2.3 if the budget has debts to enterprises and organizations, regardless of the form of ownership (overpaid taxes, amounts to be repaid, etc.);

- 2.3 The maturity of treasury bills can be as follows:

2.3.1 within a certain time after compilation;

2.3.2 on a set day.

- 2.4 The maturity of the treasury bill cannot exceed 180 days.

The treasury bill shall be paid only during the budget year in which it is issued. If the issue of a treasury bill occurs in the second half of the year, the maturity period shall not exceed the period from the date of issue of the bill to the end of the year (until December 31).

- 2.5 For the purpose of state registration and inclusion in the accounting register, the issuer of a promissory note shall submit it to the State Committee for Securities under the President of the Republic of Azerbaijan (hereinafter - the SCS) together with the following documents:

2.5.1 letter on state registration of the promissory note by the promissory note issuer. The letter shall contain the name of the organization to which the treasury bill was issued, (organizational and legal form), legal address, bank name, settlement account number, type of activity and the purpose of issuing the bill;

2.5.2 certified copies of the documents that are the basis for the issuance of the treasury bill.

2.5.3 the SCS shall analyze the submitted documents and conduct state registration if there are no grounds for flaws, shortcomings or refusal to register.

2.6 There is no fee for registration of a treasury bill in the state register.

2.7 State registration of treasury bills, refusal from them, transfer through endorsement, payment, protest and other operations provided for in these Regulations, as well as submission of written information by the payer to the state registration body shall be carried out in accordance with the provisions of the Regulations on the Circulation of Promissory Notes in the Republic of Azerbaijan in respect of solo promissory notes (except the provisions for filing lawsuits and aval).

### **3 Circulation of treasury bills**

Treasury bills can be used for the following purposes:

3.1 The treasury bill can be used as a means of payment for purchased goods, works performed or services rendered.

3.2 The treasury bill may be properly registered with the accounting organization.

3.3 The treasury bill may be purchased on the secondary market in accordance with the relevant legislation.

3.4 Treasury bills may be presented to the treasury by legal entities in lieu of taxes or other debts to the budget.

3.5 The treasury bill cannot be presented to the treasury for payment before the due date.

3.6 When the promissory note is due, it is presented to the treasury (payer) that issued it for payment and paid by the payer. If the treasury (payer) refuses to pay the treasury bill, the holder of the bill of exchange shall, in accordance with the legislation, establish a refusal to pay by an official protest act.

3.7 To attract free funds of legal entities to the budget, the treasury bill is issued as a discount security and sold by the treasury at a price lower than its face value, and when paid, the payer pays the bill in full to the holder.

3.8 To carry out the operations specified in paragraphs 3.1, 3.2, 3.3 of these Regulations, the holder of the promissory note shall transfer the promissory note in the name of the person who issued it through endorsement.

### **4 Liability**

Persons violating the provisions of these Regulations shall be liable in accordance with the legislation.

## **5 Effective date**

These Regulations shall come into effect from the signing date.