

## DECREE OF PRESIDENT OF THE REPUBLIC OF AZERBAIJAN

### **on application of Law of the Republic of Azerbaijan on Agricultural Insurance No 1617-VQ dated 27 June 2019 and on establishment of the Agrarian Insurance Fund**

Guided by Paras 19 and 32 of Article 109 of the Constitution of the Republic of Azerbaijan, to provide the application of the Law of the Republic of Azerbaijan on Agricultural Insurance No 1617-VQ dated 27 June 2019 due to its entry into force **I decide:**

1. establish the 'Agrarian Insurance Fund' non-commercial legal entity (hereinafter – the Fund) that provides the organization, development and sustainability, as well as the formation of the management body of and controls activities of the agricultural insurance system in the Republic of Azerbaijan and according to Article 8.2 of the Law of the Republic of Azerbaijan on Agricultural Insurance.

2. The Cabinet of Ministers of the Republic of Azerbaijan:

2.1. within two months:

2.1.1. Develop and submit to President of the Republic of Azerbaijan proposals on alignment of laws of the Republic of Azerbaijan and acts of President of the Republic of Azerbaijan to the Law of the Republic of Azerbaijan on Agricultural Insurance.

2.1.2. Align normative legal acts of the Cabinet of Ministers of the Republic of Azerbaijan to the said Law and inform President of the Republic of Azerbaijan.

2.1.3. Determine the composition of the subject of the agricultural insurance according to Article 4.2 of the said Law and inform President of the Republic of Azerbaijan;

2.1.4. Determine a procedure for examining independent experts according to the second sentence of Article 10.1 of the said Law and inform President of the Republic of Azerbaijan.

2.1.5. Determine a list of documents to be attached with the appeal of the agricultural insurance body to provide the part of the insurance premium to be paid from state budget funds according to Article 15.3 of the said Law and inform President of the Republic of Azerbaijan.

2.1.6. approve the Charter of the Fund based on proposals from the Ministry of Agriculture of the Republic of Azerbaijan and the Financial Markets Supervisory Authority of the Republic of Azerbaijan and inform President of the Republic of Azerbaijan.

2.2. Provide the formation of initial charter capital of the Fund from funds specified in Para 1.10.1.5 (expenses related to agricultural reforms) of Decree No 431 of President of the Republic of Azerbaijan dated 22 December 2018 'on several issues related to application of the Law of the Republic of Azerbaijan 'on State Budget of the Republic of Azerbaijan for 2019'', as well as consideration of AZN 5 000 000 (five million) and 3 000 000 (three million) funds to raise charter capital of the Fund in draft state budgets for 2020 and 2021 respectively, and increase charter capital of the Fund from those funds and inform President of the Republic of Azerbaijan accordingly.

2.3. within four months:

2.3.1. Determine the composition of risks guaranteed on the agricultural insurance according to Article 5.3 of the said Law and inform President of the Republic of Azerbaijan.

2.3.2. Approve insurance rules based on proposals of the Ministry of Agriculture of the Republic of Azerbaijan and the Financial Markets Supervisory Authority of the Republic of Azerbaijan according to Article 6.1 of the said Law and inform President of the Republic of Azerbaijan.

2.3.3. Approve the part of the agricultural premium per insurance product to be paid from state budget funds based on proposals of the Ministry of Agriculture of the Republic of Azerbaijan according to Article 7.2 of the said Law and inform President of the Republic of Azerbaijan.

2.3.4. Approve the Statute of the Agricultural Insurance information system based on proposals of the Ministry of Agriculture of the Republic of Azerbaijan and the Financial Markets Supervisory Authority of the Republic of Azerbaijan according to the second sentence of Article 13.2 of the said Law and inform President of the Republic of Azerbaijan.

2.3.5. Determine a list of information systems to be integrated to the Agricultural Insurance information system and information to be obtained from them based on proposals of the Ministry of Agriculture of the Republic of Azerbaijan and the Financial Markets Supervisory Authority of the Republic of Azerbaijan according to Article 13.3 of the said Law and inform President of the Republic of Azerbaijan.

2.4. provide for the part of the agrarian insurance premium to be paid from the state budget in the draft state budget for each year according to Article 7.2 of the said Law and submit related proposals to President of the Republic of Azerbaijan together with the documents specified in Article 11.16 of the Law of the Republic of Azerbaijan 'on the Budget System' until September 25 of every year.

2.5. Monitor aligning normative legal acts of central executive authorities to that Law and inform President of the Republic of Azerbaijan on its implementation within five months.

2.6. Resolve other issues arising from the Law.

3. To determine that:

3.1. in the following Articles of the Law of the Republic of Azerbaijan 'on Agricultural Insurance':

3.1.1. authorities of the relevant executive authority specified in Articles 4.2, 5.3, 6.1, 7.2, 8.1, 8.5, in the first (in both cases) and second sentences of Article 10.1, in the first sentence of Article 10.2 (in both cases), in Article 10.4, in the second sentence of Article 13.2, in Articles 13.3, 15.3 (in both cases) and in Article 15.4 shall be exercised by President of the Republic of Azerbaijan.

3.1.2. The 'body (institution)' in Article 8.1 shall mean President of the Republic of Azerbaijan.

3.1.3. The 'body (institution)' in Articles 4.2, 5.3, 6.1, 7.2, in the second sentence of Article 10.1, in the second sentence of Article 13.2, in Articles 13.3 and 15.3 (in the second case) shall mean the Cabinet of Ministers of the Republic of Azerbaijan.

3.1.4. The 'body (institution)' in Articles 8.5, 15.3 (in the first case) and 15.4 shall mean the Ministry of Finance of the Republic of Azerbaijan.

3.1.5. The 'body (institution)' in the first sentence of Article 10.1 (in the first case) shall mean the State Examination Center of the Republic of Azerbaijan.

3.1.6. The 'body (institution)' in the first sentence of Article 10.1 (in the second case), in the first sentence of Article 10.2 (in the first case) and in Article 10.4 shall mean the Financial Markets Supervisory Authority of the Republic of Azerbaijan.

3.1.7. The 'body (institution)' in the first sentence of Article 10.2 (in the second case) shall mean the Ministry of Agriculture of the Republic of Azerbaijan.

3.2. The initial charter capital of the Fund shall be AZN 1 000 000 (one million) and shall be formed from state budget funds.

3.3. A Board of Trustees operating on a public basis and including 5 members – representatives of the Ministry of Agriculture of the Republic of Azerbaijan (2 persons), the Ministry of Finance of the Republic of Azerbaijan (one person), the Financial Markets Supervisory Authority of the Republic of Azerbaijan (one person) and the farmers' association (one person) shall be established at the Fund. The representative of the Ministry of Agriculture of the Republic of Azerbaijan shall chair the Board of Trustees.

3.4. Other issues related to the order of management of activities of the Fund shall be regulated according to Article 115.6 of the Civil Code of the Republic of Azerbaijan.

4. to assign exercising authorities of the founder at the Fund to the following:

4.1. President of the Republic of Azerbaijan shall:

4.1.1. set the amount of charter capital of the Fund.

4.1.2. take a decision on reorganization of and resolving the issue of liquidation of the Fund.

4.2. The Cabinet of Ministers of the Republic of Azerbaijan shall:

4.2.1. approve the Charter of the Fund.

4.3. The Board of Trustees of the Fund shall:

4.3.1. resolve other issues attributed to authorities of the legal entity founder in consideration of the Civil Code of the Republic of Azerbaijan in light of Items 4.1 and 4.2 of this Decree.

5. The Ministry of Agriculture of the Republic of Azerbaijan shall:

5.1. together with the Financial Markets Supervisory Authority:

5.1.1. develop proposals related to the issue specified in Para 2.1.6 herein within one month and submit to the Cabinet of Ministers of the Republic of Azerbaijan.

5.1.2. Develop proposals related to the issues specified in Paras 2.3.2, 2.3.4 and 2.3.5 herein within three months and submit to the Cabinet of Ministers of the Republic of Azerbaijan.

5.2. develop proposals related to the issue specified in Para 2.3.3 herein within two months and submit to the Cabinet of Ministers of the Republic of Azerbaijan.

5.3. Submit proposals on the issue specified in Para 2.4 herein according to Article 11 of the Law of the Republic of Azerbaijan 'on the Budget System' as intended.

5.4. Resolve other issues arising from the Law of the Republic of Azerbaijan on Agricultural Insurance and this Decree.

6. The Financial Markets Supervisory Authority to:

6.1. determine the requirements specified in the first sentence of Article 10.2 of the Law of the Republic of Azerbaijan on Agrarian Insurance within three months in coordination with the Ministry of Agriculture of the Republic of Azerbaijan;

6.2. Resolve other issues arising from the Law of the Republic of Azerbaijan on Agricultural Insurance and this Decree.

7. In relation to the application of the Law of the Republic of Azerbaijan on Agricultural Insurance:

7.1. Acts of President of the Republic of Azerbaijan, normative legal acts of the Cabinet of Ministers of the Republic of Azerbaijan and central executive authorities shall not enter into force earlier than the date of entry into force of that Law.

7.2. The date of entry into force of that Law should be taken into account when preparing draft laws and normative acts.

8. The Ministry of Justice of the Republic of Azerbaijan should ensure that the normative legal acts of central executive authorities and regulations are adapted to the Law of the Republic of Azerbaijan on 'Agricultural Insurance' and inform the Cabinet of Ministers of the Republic of Azerbaijan.

**Ilham ALIYEV,**  
**President of the Republic of Azerbaijan**

Baku city, 19 August 2019

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