

**ORDINANCE № 310**  
**THE CABINET OF MINISTERS OF THE REPUBLIC OF AZERBAIJAN**  
**Baku, 19 August 2016**

**On Approval of “The Regulations on providing access to frozen assets for the payment of necessary and unexpected expenses of the natural or legal persons whose assets were frozen”**

To ensure the implementation of Paragraph 1.3 of the Decree #681 dated 19 November 2015 of the President of the Republic of Azerbaijan “On the implementation of the Law 1401-IVQD dated 20 October 2015 of the Republic of Azerbaijan “On the amendments to the Law “On the Prevention of the Legalization of Criminally Obtained Funds or Other Property and the Financing of Terrorism” of the Republic of Azerbaijan”, the Cabinet of Ministers of the Republic of Azerbaijan DECIDES:

To approve “The Regulations on providing access to frozen assets for the payment of necessary and unexpected expenses of the natural or legal persons whose assets were frozen” (enclosed).

**Prime Minister of the Republic of Azerbaijan**

**Artur Rasi-zade**

**Approved** by the Ordinance #310 dated 19 August 2016 of the Republic of Azerbaijan.

## **THE REGULATIONS**

### **on providing access to frozen assets for the payment of necessary and unexpected expenses of the natural or legal persons whose assets were frozen**

#### **1. General provisions**

1.1. The Regulations was prepared pursuant to the Article 19-1.10 of the Law #767-IIIQ dated 10 February 2009 of the Republic of Azerbaijan “On the Prevention of the Legalization of Criminally Obtained Funds or Other Property and the Financing of Terrorism” and Resolution #1452 (2002) of the Security Council of the United Nations (hereinafter - the UN).

1.2. The Regulations determines the rules for using frozen assets to ensure necessary and unexpected expenses of the persons designated within the frame of countering the financing of terrorism pursuant to the legislation of the Republic of Azerbaijan and international agreements it is a party to, as well as relevant UN Security Council Resolutions, legal persons owned or controlled by such persons, natural and legal persons acting on behalf of, or at the direction of, such persons (hereinafter - persons whose assets were frozen) and the duties of the government authorities of the Republic of Azerbaijan.

#### **2. Grounds for providing access to frozen assets**

2.1. The permission to provide access to frozen assets of natural or legal persons is provided by the State Security Service of the Republic of Azerbaijan (hereinafter – State Security Service).

2.2. Taking into account the circumstances identified in Paragraph 3.4 of the Regulations, within seven days after filing an application in writing by the persons whose assets were frozen, the State Security Service issues permission to pay from the frozen assets the following necessary costs:

2.2.1. taxes and fees;

2.2.2. insurance payments (excluding life insurance);

2.2.3. utilities expense (natural gas, water, electricity, housing and communal fees, telecommunication (phone, Internet) expenses;

2.2.4. fees related to use of financial services;

2.2.5. payments for food, medical services, medicines, rental payments, mortgage payments necessary for natural persons and their family members;

2.2.6. membership fees related to professional activity of the natural persons;

2.2.7. expenses necessary for protection of the rights of the natural and legal persons.

2.3. In addition to necessary expenses provided for in Paragraph 2.2 of the Regulations, the State Security Service, on the basis of an application in writing by the persons whose assets were frozen, accepts within seven days a decision to provide access to frozen funds for paying unexpected expenses of such persons.

2.4. In their applications, the persons whose assets were frozen shall substantiate in writing the need for necessary and unexpected expenses.

2.5. Within one day after the receipt of the application the State Security Service shall notify the person whose assets were frozen of the receipt of the application and current procedures.

### **3. Rules on permitting access to frozen assets**

3.1. Permission to access frozen assets is granted after completely excluding the risk of directing the assets to be provided access to for the financing of terrorism.

3.2. The decision on the use of frozen assets of the persons designated in the International List determined by the Ministry of Foreign Affairs of the Republic of Azerbaijan and approved by the Financial Monitoring Service of the Republic of Azerbaijan on the basis of the Consolidated List compiled by the UN Security Council Sanctions Committee established for countering the financing of terrorism is made, with the opinion of the relevant Committee being taken into account.

3.3. To obtain the opinion, the State Security Service shall submit the application within two days after its receipt to the Ministry of Foreign Affairs of the Republic of Azerbaijan for forwarding to the relevant UN Security Council Sanctions Committee. On the basis of the application, the Ministry of Foreign Affairs of the Republic of Azerbaijan shall then send a request within one day to relevant UN Security Council Sanctions Committee. The request shall contain the following:

3.3.1. name and address of the person whose assets were frozen;

3.3.2. permanent reference number of the person whose assets were frozen in the list compiled by the relevant UN Security Council Sanctions Committee;

3.3.3. information on the bank account of the person whose assets were frozen (name and address of the bank, account number);

3.3.4. purpose of the payment, substantiation for necessary and unexpected expenses;

3.3.5. type of the necessary expenses;

3.3.6. essence of the unexpected expenses;

3.3.7. amount and number of the payments;

3.3.8. first and last dates of the payments;

3.3.9. payment method;

3.3.10. source of payment;

3.3.11. deductions from the payment.

3.4. The Ministry of Foreign Affairs of the Republic of Azerbaijan shall send, within one day upon the receipt, the opinion of the relevant UN Security Council Sanctions Committee to the State Security Service. In cases stipulated in Paragraph 3.2 of the Regulations and provided that the relevant UN Security Council Sanctions Committee does not issue a negative opinion, the State Security Service shall adopt a decision to provide access to frozen assets within one day of the receipt of the opinion by the State Security Service.

3.5. If the remaining balance in the frozen account is insufficient to cover necessary and unexpected expenses, the permission may be issued to provide access to the following assets:

3.5.1. any payments or interests to be received to the frozen accounts;

3.5.2. payments on the contracts entered into and on liabilities that occurred before the date of the freezing of the accounts;

3.5.3. any other payments to be made in favor of the persons whose assets were frozen.

3.6. Natural or legal persons whose assets were frozen may file an administrative or court complaint against the decision of the State Security Service on access to frozen assets to pay for necessary and unexpected expenses.

#### **4. Implementation of the decision to provide access to frozen assets**

4.1. The decision by the State Security Service on providing access to frozen assets pursuant to Paragraphs 2.2 and 2.3 of the Regulations is mandatory for persons or state bodies that implement asset freeze.

4.2. Once the State Security Service accepts a decision on providing access to frozen assets pursuant to Paragraphs 2.2 and 2.3 of the Regulations, it shall send this decision without delay to the person or state body that implements asset freeze.

4.3. Pursuant to the decision on providing access to frozen assets, the person or state body that implements asset freeze shall without delay make the payments and notify the State Security Service.