

# **Law of the Republic of Azerbaijan**

## **On valuation**

This Law covers the basic principles of property valuation in the Azerbaijan Republic (hereinafter referred to as valuation), and regulates all organizational, economic and legal relations arising out of such valuation.

### **Article 1. Laws and regulations on valuation**

The laws and regulations of the Azerbaijan Republic on valuation consist of this Law, other statutes, and international agreements ratified by the Azerbaijan Republic.

### **Article 2. Valuation subjects**

Legal entities and individuals whose activity is regulated by this Law (valuers) and persons who employ their services (customers) are valuation subjects.

### **Article 3. Valuation objects**

Any property, valuation of which is required by the applicable laws and regulations or is otherwise deemed by the customer as important, is a valuation object.

### **Article 4. The rights of proprietors to value their property**

Legal entities and individuals of the Azerbaijan Republic shall have the right to value their property.

The results of such valuation may be used to make changes in accounting and accounting reporting, as well as in the statistical service and reports.

## **Article 5. Cases of compulsory valuation**

Compulsory valuation of property shall be done in the following cases:

- determining the value of state property with the purpose of privatization or transfer to a fiduciary;
- using state and municipal property as a security;
- sale of state and municipal property or its transfer to third parties due to debt obligations;
- if the property of proprietors is seized for official purposes ~~or public purposes~~, in cases and on the conditions listed in the Civil Code of the Azerbaijan Republic;
- revaluation of fixed assets that are state property;
- determining the damage caused to the insured state and municipal property due to the occurrence of a loss covered by compulsory insurance;
- necessity for valuation of property in order to ensure the enforcement of a court sentence or decision (in this case, valuation shall be done by the valuer upon request by the owners of the property, or by an appropriate executive body in compliance with the applicable laws and regulations);
- in case of a dispute concerning the value of property when the proprietary rights to the property managed by a fiduciary are amended;
- in case of a dispute concerning the value of property upon its division initiated by one or both divorcing spouses;
- in case of a dispute concerning the value of property owned by joint-stock companies, upon their merger or split;
- settlement of inheritance disputes.

## **Article 6. Grounds for valuation**

An agreement entered into between the valuer and customer shall constitute grounds for the valuation of an object by the valuer.

In cases specified by civil law, an object may be valued on the basis of a court decision to conduct an expert evaluation or re-evaluation. In such cases, the court is completely independent in the selection of the valuer.

## **Article 7. Valuation report**

Procedures for the drawing up of valuation reports shall be developed by the appropriate executive body. The final market value or other value of the property indicated in the valuation report is considered accurate unless it is invalidated by a court of justice.

A report on the market value or other value of an object, determined by the valuer, may be considered by a court of justice upon hearing any relevant disputes.

## **Article 8. Disputes concerning object valuation information provided in the valuer's report**

Any disputes concerning the accuracy of the market value or other value of the valued property indicated in the valuer's report shall be entertained by a court of justice.

In such case, a court of justice entertaining the dispute has the right, with consideration for the provision of the applicable procedural laws and this Law, to order a re-evaluation the valued object.

## **Article 9. Valuer's rights**

Any legal entities and individuals ~~with a special permit~~ shall have the right to do valuation in the manner prescribed by the applicable laws and regulations of the Azerbaijan Republic.

The valuer shall have the following rights:

- to independently choose the forms and methods of valuation within the limits set by the applicable laws and regulations on valuation;
- to request from the customer, for the purposes of valuation, any relevant documents, and to get any additional information and explanations;
- to get from third parties any oral or written information that the valuer considers important for valuation, aside from information that constitutes a state or commercial secret;

- to employ the services of experts on the basis of an agreement, if it is necessary for the purposes of valuation;
- to refrain from doing valuation in case the customer violates the terms and conditions of the agreement, fails to provide required information about the object of valuation or fails to ensure safe working conditions for valuation.

## **Article 10. Valuer's obligations**

The valuer shall have the following obligations:

- to comply, when doing valuation, with the laws and regulations of the Azerbaijan Republic on valuation;
- to ensure, when doing valuation, the safety of documents received from the customer or from third parties;
- to immediately inform the customer of any reasons hindering valuation;
- to provide to the customer, upon their request, information about laws of the Azerbaijan Republic on valuation, regulatory documents based on such laws, and the charters of relevant professional associations,

~~documents giving the right to do valuation.~~

- to present, upon the customer's request, the proof of educational qualifications required to do valuation;
- not to disclose confidential information received from the customer during valuation;
- to provide information and data from their report, by order of the court;
- in case the customer's refusal to provide requested information significantly affects valuation, to mention this fact in the report;
- to inform the customer of the impossibility of their participation in valuation, in case of circumstances affecting the impartiality of valuation.

## **Article 11. Valuer's independence**

The customer or other concerned parties may not interfere with valuer's work.

## **Article 12. Valuation restrictions**

A valuer may not do valuation of an object if they are the founder, owner, shareholder or executive of the legal entity or the individual that has a proprietary interest in the valuation object, or is a close relative of the listed persons or the customer.

A valuer may not do valuation if they have any extra-contractual obligations concerning the valuation object or have any material interest in the results of valuation.

## **Article 13. Valuation costs**

Remuneration for the valuer's services shall not depend on the final value of the valuation object.

Any expenses incurred with regard to valuation, including remuneration for expert services, shall be covered on the basis of a mutual agreement in compliance with the applicable laws and regulations.

## **Article 14. Control over valuation in the Azerbaijan Republic**

Control over valuation in the Azerbaijan Republic shall be exercised by the appropriate executive bodies.

## **Article 15. Valuation standards**

Valuation standards, regulations, and the procedures for the training of professional valuers shall be developed and approved by the appropriate executive bodies in compliance with the applicable laws and regulations.

## **Article 16. Associations of valuers, and their purposes**

Valuers may establish associations in the manner prescribed by the applicable laws and regulations of the Azerbaijan Republic, with the purpose of protection of professional interests, international experience exchange and professional development, as well as with other purposes.

### **Article 17. Termination of valuation**

Valuation shall be terminated in the following cases:

- evidence of any falsifications during the official registration of the legal entity ~~or the individual~~ that is engaged in valuation, as per the applicable laws and requirements of the Azerbaijan Republic;
- upon liquidation, in the manner prescribed by the Civil Code of the Azerbaijan Republic, of a legal entity that is engaged in valuation in compliance with the applicable laws and regulations of th Azerbaijan Republic ;
- in case a court of justice discovers that the documents related to valuation done by legal entities and individuals have been forged;
- in case the valuer exceeds their powers when doing valuation, as specified by the applicable laws and regulations;
- the existence of an effective court decision.

### **Article 18. Valuer's and customer's liability**

In case of violation of this Law and the terms and conditions of the valuation agreement, the valuer and the customer shall be held liable in the manner prescribed by law.

**President of the Republic of Azerbaijan**

**Heydar ALIEV**

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