



STATE SERVICE FOR
ANTI-MONOPOLY AND
CONSUMER MARKET
CONTROL



STATE SERVICE FOR ANTI-MONOPOLY
AND CONSUMER MARKET CONTROL
UNDER THE MINISTRY OF ECONOMY OF
THE REPUBLIC OF AZERBAIJAN

**IMPACT OF THE COMPETITION CODE AND THE NEW LAW ON
"STATE PROCUREMENT" ON THE BUSINESS ENVIRONMENT
AND EMERGING OPPORTUNITIES**

**PRESENTATION
07.03.2024**



Due to the inconsistency of the existing anti-monopoly legislation with the current level of economic development, the Competition Code draft has been prepared by the State Service with the aim of making amendments to the legislation.

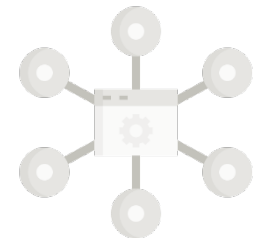


The Competition Code was adopted by the Milli Majlis (National Assembly) on December 8, 2023, and will enter into force on July 1, 2024, by the Decree of the President of the Republic of Azerbaijan dated January 23, 2024.

NEW CONCEPTS IN THE COMPETITION CODE



- Relevant Market
- Active and passive sales
- Exclusive and selective supply systems
- Non-compete obligation
- Coordinated actions
- Lower and upper monopoly prices
- Network effect
- Decisive control





- Significant Restriction of Competition, Exclusion Agreements, Minor Agreements
- Purpose and result-based restrictions
- Defining a market share of 50% for dominant market players
- Joint dominance of economic entities in the market
- Relatively high market power
- The influence ability of economic entities on the relevant market
- Assessment of the impact of subsidies and regulatory activities on competition



THE IMPORTANCE OF THE COMPETITION CODE



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The creation of a
favorable and
competitive
business
environment



Increasing
economic efficiency



Promotion
of investment
placement

THE NEW LAW ON "STATE PROCUREMENT"



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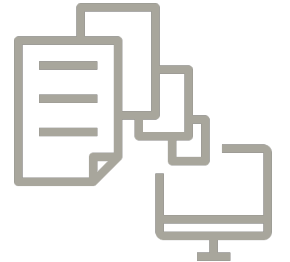
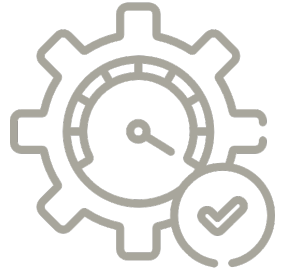
Due to the failure of the legislation in the field of state procurement to meet modern requirements, a new draft law has been prepared.



The new draft law was adopted by the National Assembly on July 14, 2023, and came into force on January 1, 2024, with the Decree of the President of the Republic of Azerbaijan dated August 19, 2023, marking the start of its implementation.



- Expansion of the Law's scope
- Full electronification of all public procurement
- Maintenance of registers on unreliable suppliers and procurement contracts
- Optimization of timelines based on the estimated price and procurement method
- Strengthening of state control by clearly defining the powers of the oversight body
- Introduction of framework agreements
- Discounts for micro and small enterprises
- Inclusion of the concept of beneficial ownership in the law



IMPORTANCE IN THE NEW LAW



Efficient and economical
use of public financial
resources



The implementation of
public procurement based
on competitiveness,
transparency, and
openness



Prevention of the
shadow economy



World Bank Group's "Business Ready" Global Ranking Project

Market Competition Indicator

EVALUATION TOPICS



Competition



Innovation



Public
Procurement



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Market Competition Indicator

EVALUATION TOPICS



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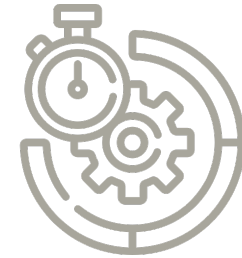
Component I

Quality of
Regulatory Tools



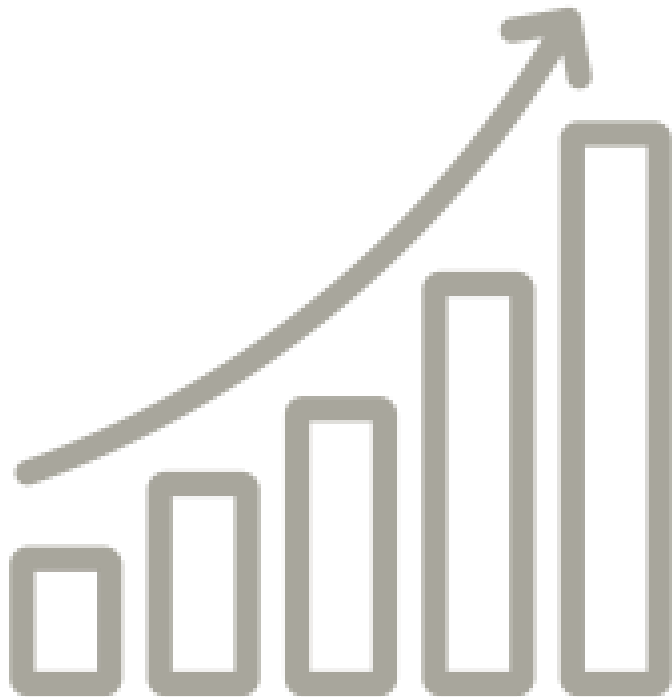
Component II

Adequacy of
Public Services



Component III

Effectiveness's of
Essential Services



Identification of sectors where competition rules are not applied

Exempted agreements

Additional conditions during mergers

Exemptions from financial sanctions

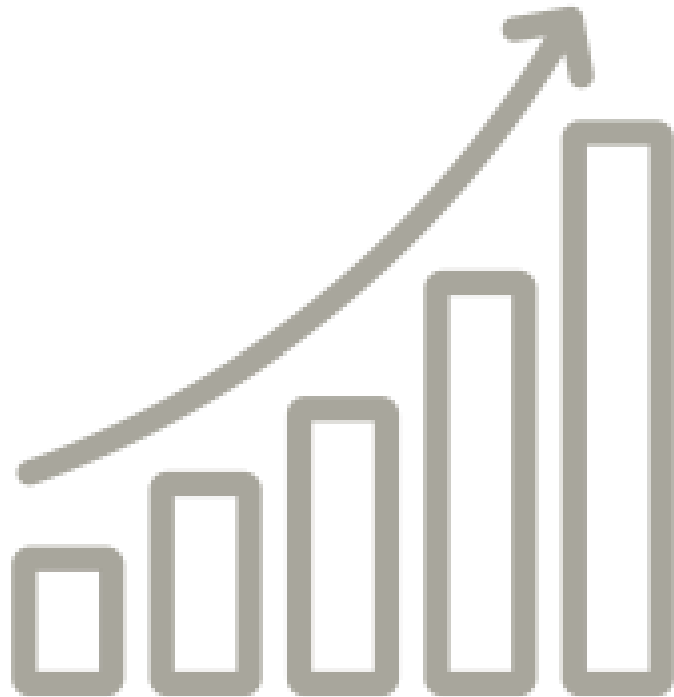


- Legal requirement for checking the competition neutrality of state-owned enterprises
- Legal requirement for procedural safeguards during the implementation of subsidy programs, as well as the protection of confidentiality and anonymity
- The requirement for appointing and dismissing decision-making representatives at the competition authority, following the “due process” principle
- The requirement for a “cooling-off” period after the dismissal of competition authority staff
- The requirement for the legal enforceability of the opinions issued by the competition authority
- The preparation of guidelines by the competition authority on a range of topics

THE IMPACT OF THE NEW LAW ON THE SUBJECT OF STATE PROCUREMENT.



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The restriction on the publication of the procurement decision from a single source has been removed

A period has been set between the announcement of the tender winner and the signing of the contract for filing complaints about the decision.



- Gender-Specific Regulation Tools
- Green Policy
- Special methods for procurement of innovation
- Publication of open data in machine-readable format
- Consideration of sustainability criteria in the digital environment of public procurement

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THANK YOU!