

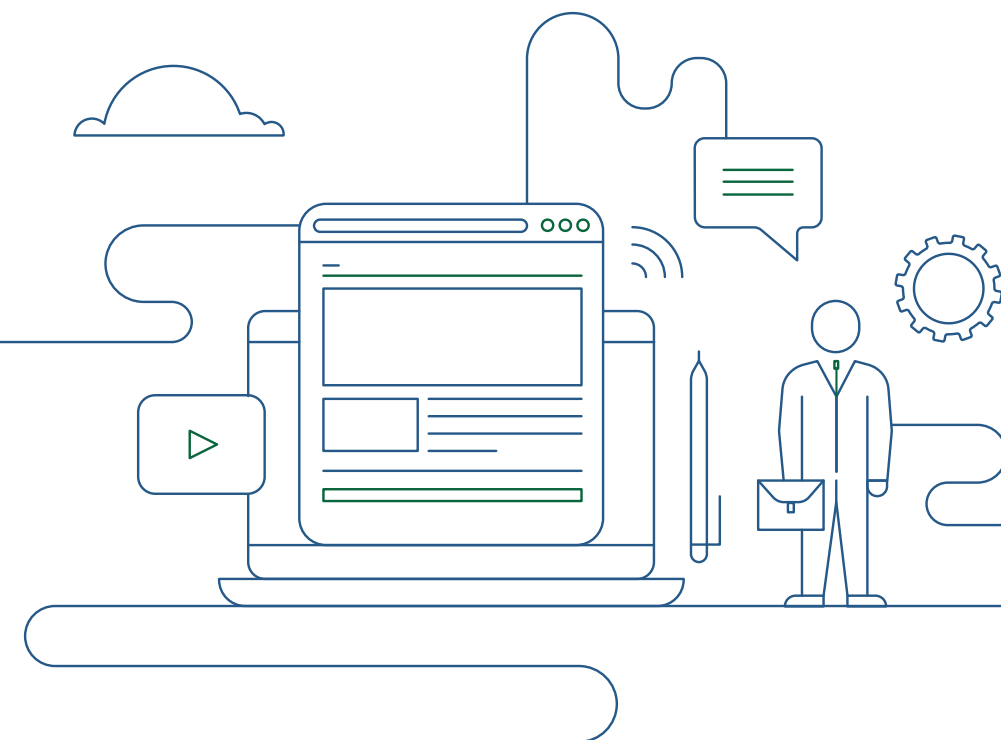


AFEZ
ALAT FREE
ECONOMIC
ZONE

INVESTOR GUIDE

Contents

01. Introduction	02
02. What type of investors do we welcome at the AFEZ?	04
03. Overview of investment procedures	06
04. One-stop shop business center	08
05. Guide for investors – how to secure approval	10
06. Business establishment support	22



01

Introduction

The “Law of the Republic of Azerbaijan on the Alat Free Economic Zone” (AFEZ Law) sets out the legal framework for the operation, development, and governance of the Alat Free Economic Zone (AFEZ). The AFEZ legislation, which is comprised of the AFEZ Law and internal regulations, has exclusive jurisdiction in the AFEZ.

The AFEZ legislation has been prepared from the perspective of investors and best international practices. The AFEZ Authority (AFEZA) can ensure investors that we have fit for purpose internal regulations, which will guide day-to-day activities in the AFEZ in compliance with both policy goals and the AFEZ Law.

As the independent regulatory body under the AFEZ legislation, the AFEZ Authority will provide certainty to investors that all matters concerning the operation of their businesses will be subject to AFEZ legislation, which takes precedence over base economy laws. To clearly demonstrate precedence of AFEZ legislation over base economy legislation and exclude possibility of any conflicts, misunderstandings, contradictions in the interpretation of the provisions of AFEZ legislation and base economy legislation, relevant amendments were made and adopted by the Parliament and approved by the President in more than 80 laws of the Republic of Azerbaijan.

In addition to that, the AFEZ Law clearly declares that base economy authorities:

- shall not have any jurisdiction in the AFEZ and,
- shall not have any power to regulate or oversee the activities of the AFEZ Authority or AFEZ Legal Entities (i.e., businesses established by investors), their owners, creditors, employees.

02

What type of Investors do we welcome at the AFEZ?

What type of investors do we welcome at the AFEZ?

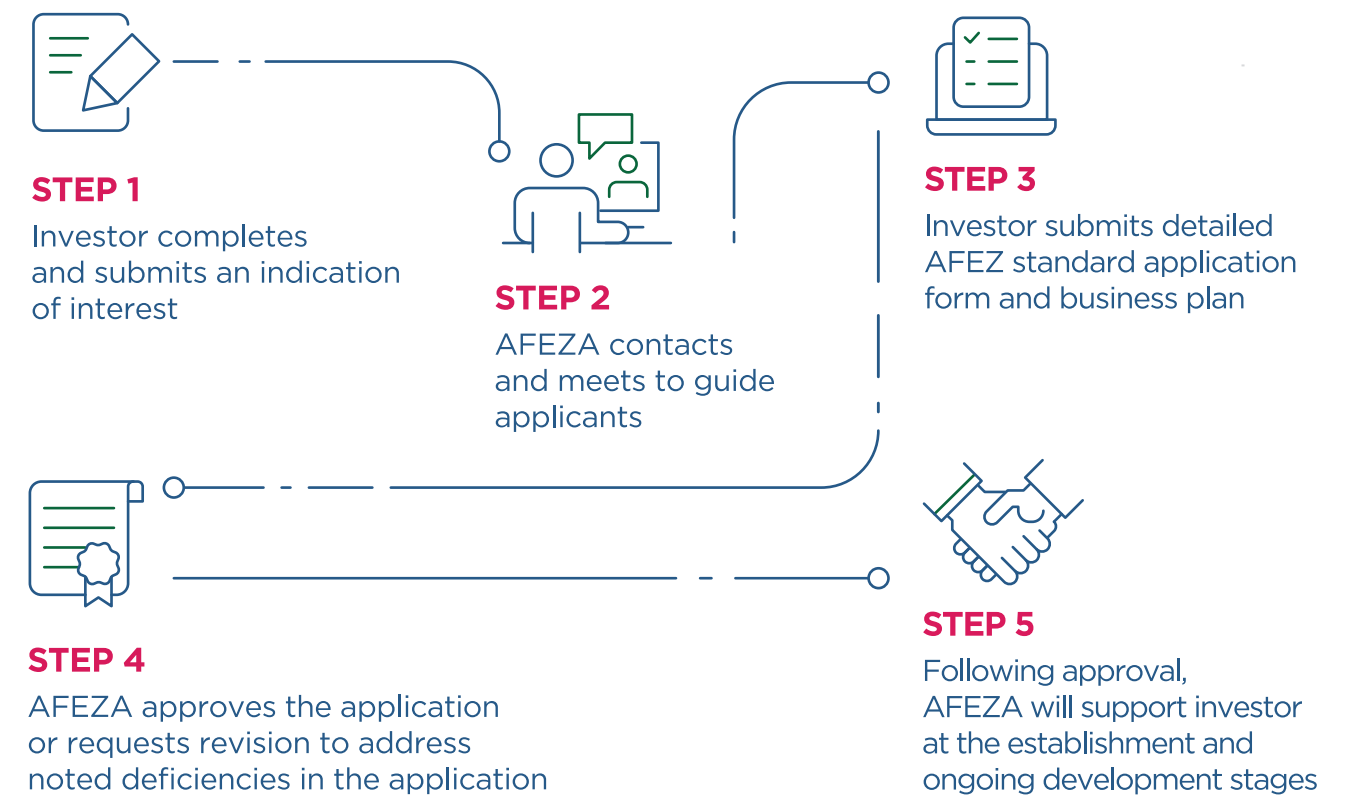
Businesses engaged in high value-added and export-oriented manufacturing and internationally traded services, using innovative technologies and approaches to work in accordance with the best international standards.

03

Overview of Investment Procedures

The process of setting up a legal entity in the AFEZ is conducted by the AFEZ Authority in an efficient way. The AFEZ Authority team will guide each investor through every step and assure that establishing a legal entity in the AFEZ is as easy as possible.

Procedure Overview



Based on the investor's intention and readiness, the whole process could take from a few hours up to a few days. This guide provides the investor with all needed information to start their businesses in the AFEZ, including a step-by-step plan. In addition, the guide demonstrates the collaborative approach that the AFEZ Authority takes in partnering with potential investors.

04

One-Stop Shop Business Center

In order to simplify the investment process, the AFEZ Authority has established a one-stop shop business center. This is the only place an investor would need to go for establishing and functioning of a legal entity in the AFEZ. Functions of the one-stop shop business center will include business appraisal, issuance of a license, visas, permits and certificates without any base economy authority or agencies involvement.



05

Guide for Investors - How to Secure Approval



STAGE 1

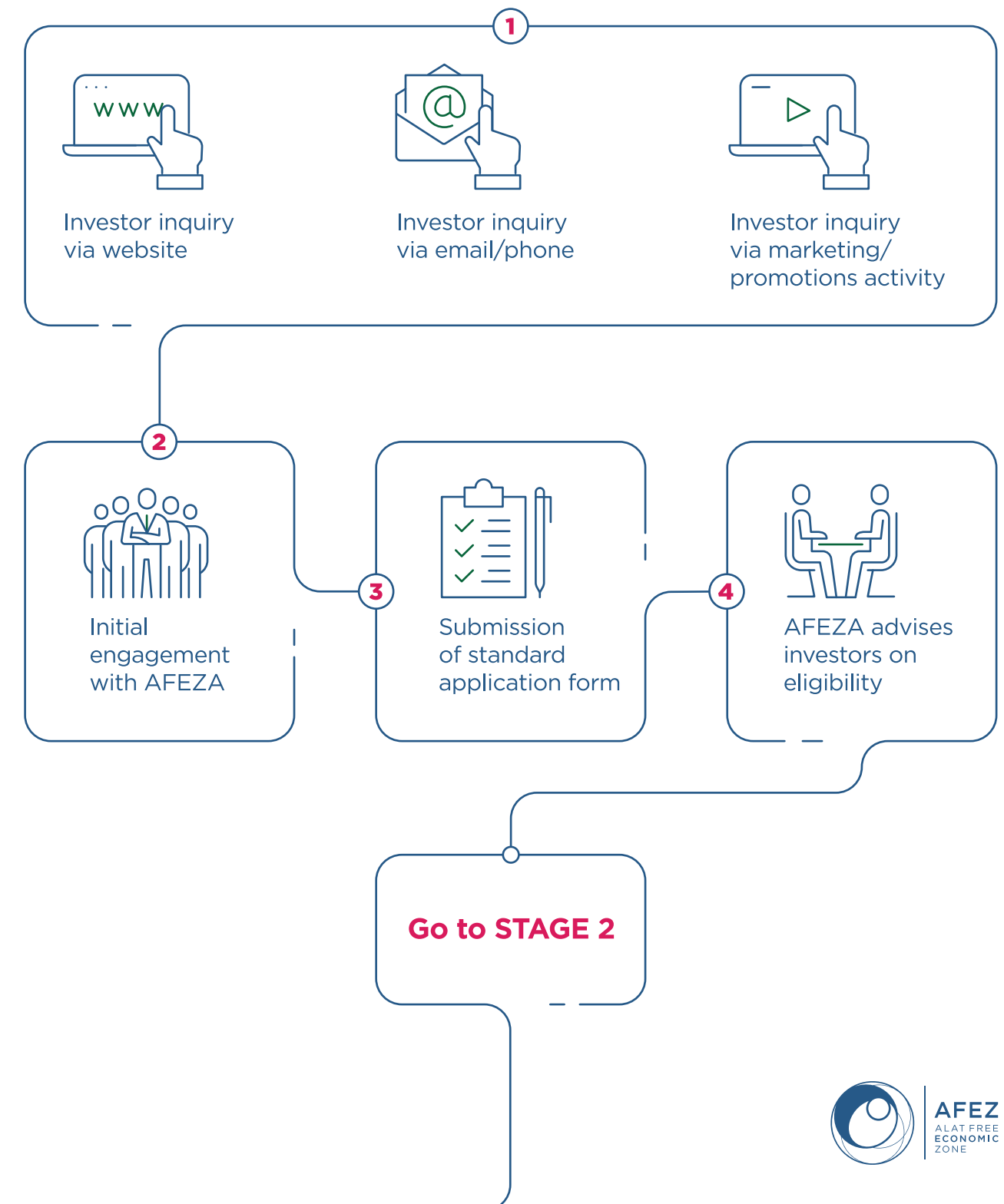
Initial Inquiry

Understanding the opportunity

Investor journey begins with the following actions:

- Step 1** Investor contacts the AFEZ Authority.
- Step 2** The AFEZ Authority arranges meeting(s) with the investor to guide in the investor journey process, as well as inform of what AFEZ and Azerbaijan offer for favorable business environment.
- Step 3** Investor submits standard application form available on the AFEZ website.
- Step 4** Within 2 working days the AFEZ Authority confirms investor eligibility.

Procedure Overview



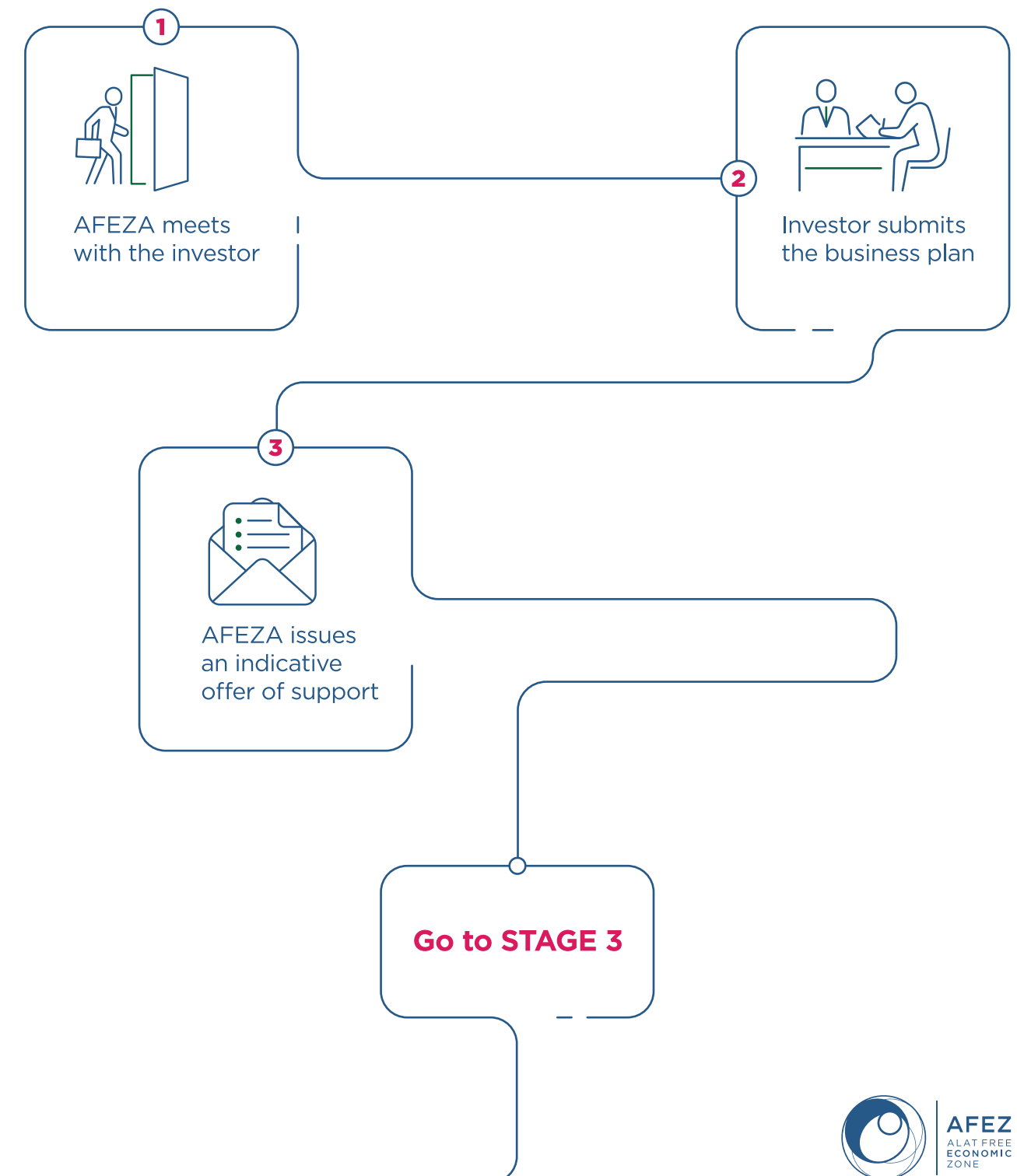
STAGE 2

Advance Inquiry See the opportunity

At this stage investor has the option of visiting the Alat Free Economic Zone:

- Step 1** Investor is welcomed to visit the AFEZ site to further understand proposed opportunities. The AFEZ Authority provides all required support for the visit.
- Step 2** Based on the developed template, the investor submits and discusses the business plan with the AFEZ Authority.
- Step 3** Following the receipt of the business plan, the AFEZ Authority will issue an indicative offer of support.

Procedure Overview



STAGE 3

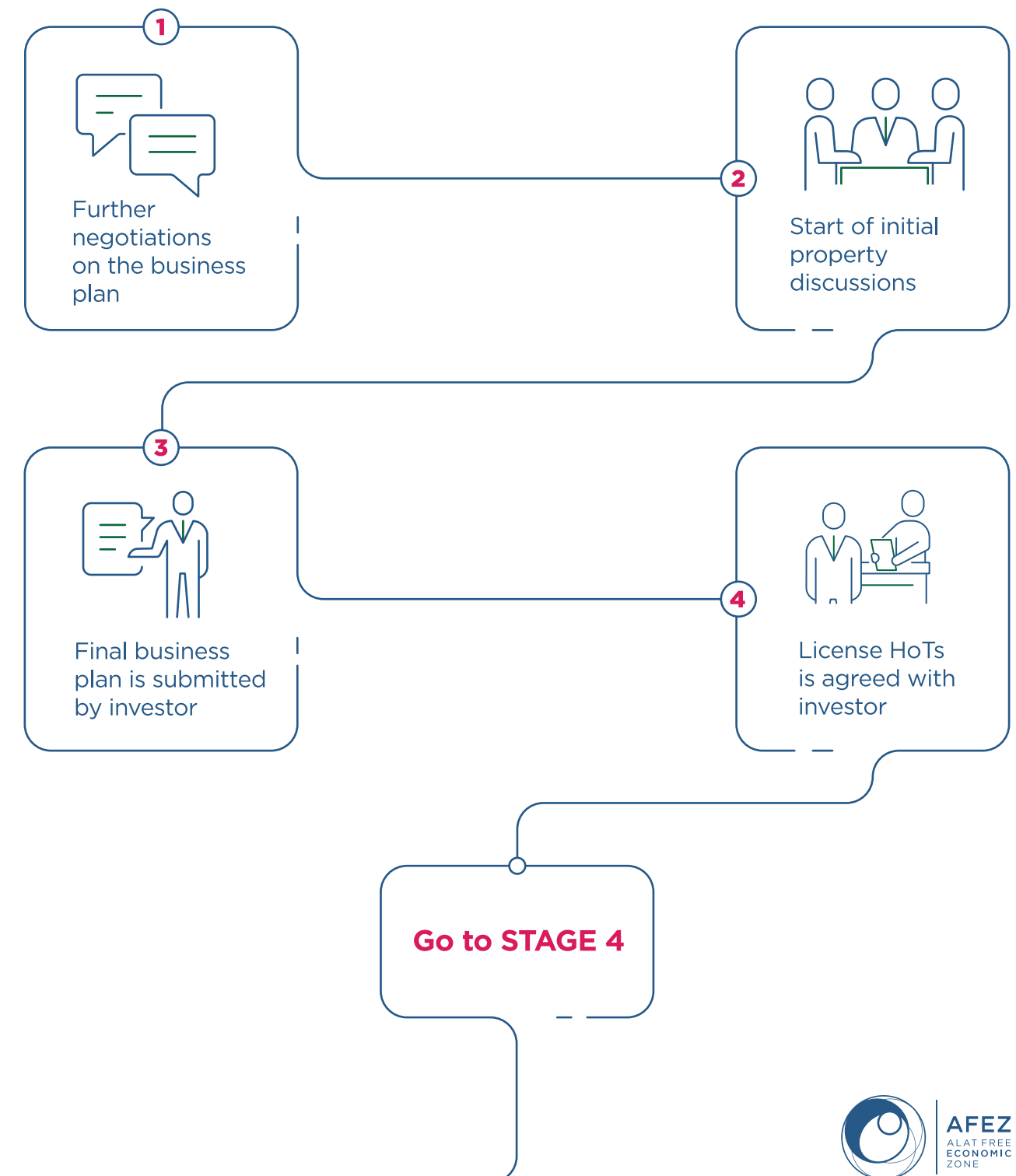
Pre-Approval Discussions

Maximize the opportunity

Having received an indicative offer of support, the investor is invited to develop and submit the final business plan and secure license approval:

- Step 1** Further negotiations on the business plan continue.
- Step 2** Property discussions commence with the AFEZ Authority Property Team.
- Step 3** Investor submits final business plan for AFEZ Authority review.
- Step 4** License Heads of Terms (HoTs) is agreed between investor and the AFEZ Authority.

Procedure Overview



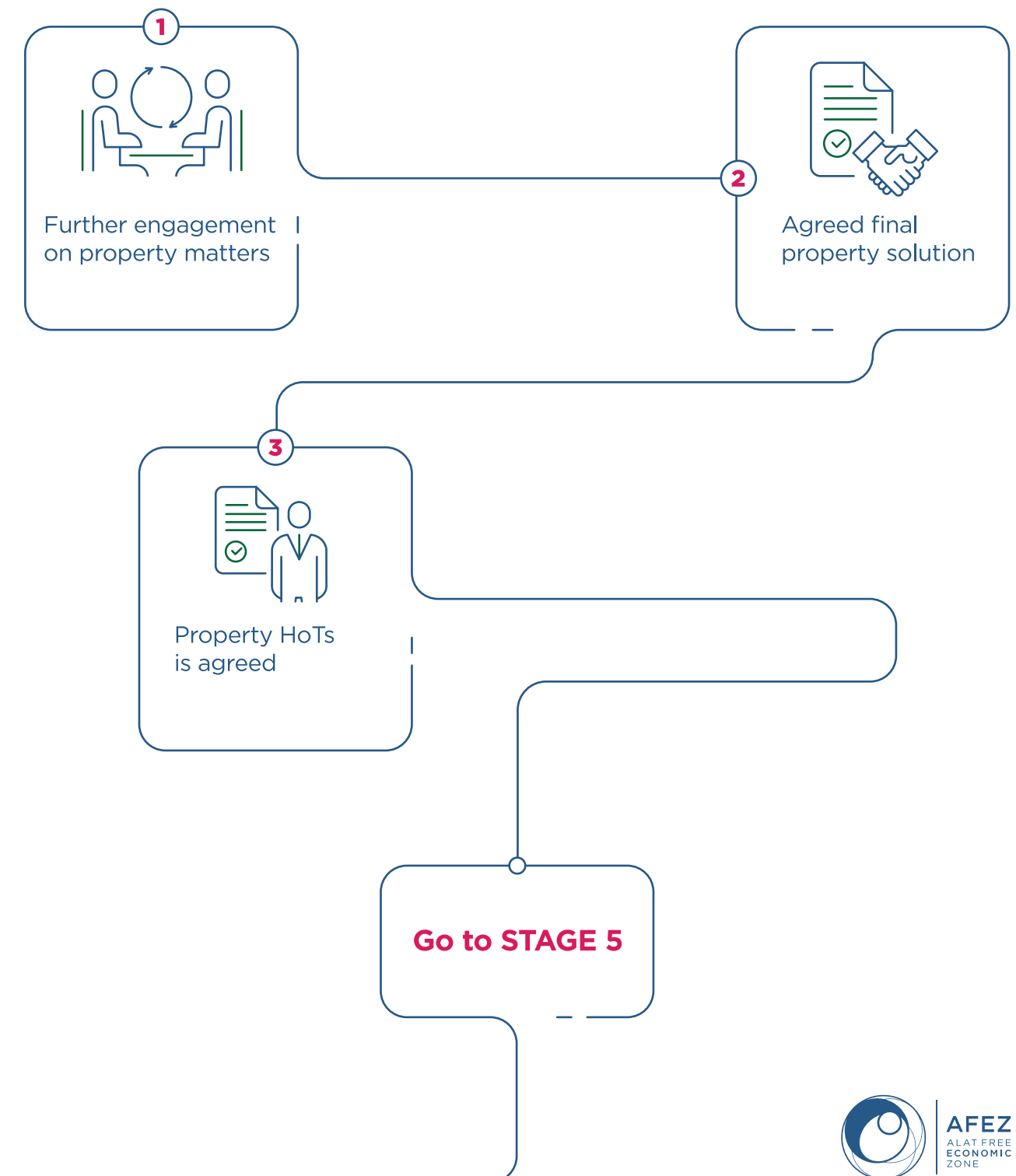
STAGE 4

Property Options Discussions Maximize the opportunity

The AFEZ Authority facilitates detailed discussions on property options. The AFEZ Authority Legal Team is actively involved at this stage:

- Step 1** Continue engagement by exploring available property options.
- Step 2** Property solution is agreed based on the investor's final business plan.
- Step 3** Property Heads of Terms (HoTs) is agreed.

Procedure Overview



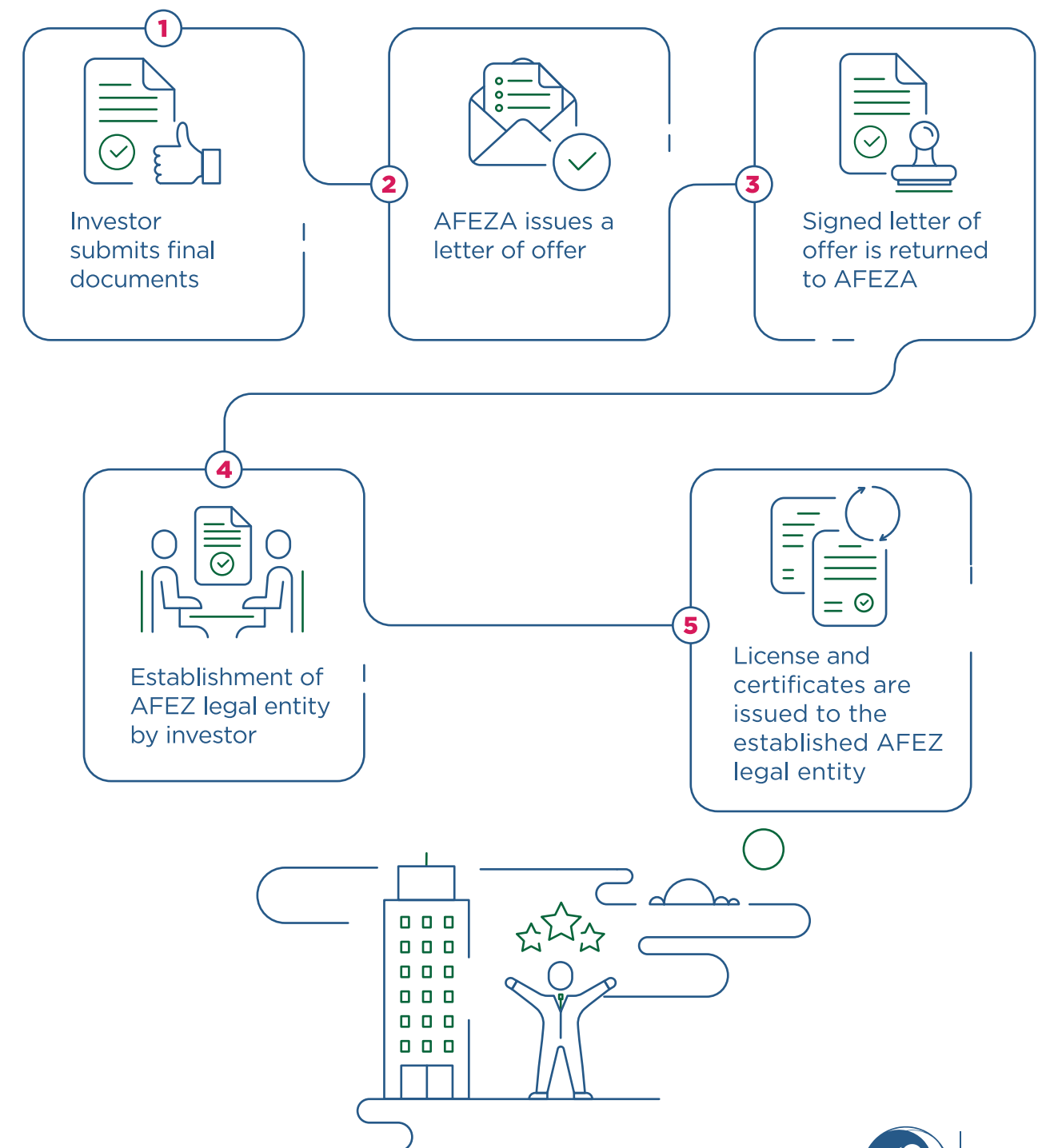
STAGE 5

AFEZ Authority Approval Confirm the opportunity

Following the formal approval by the AFEZ Authority:

- Step 1** Investor submits final documents in accordance with the AFEZ procedures.
- Step 2** The AFEZ Authority issues a letter of offer and notifies the investor of the full range of supports.
- Step 3** Investor signs and returns the letter of offer.
- Step 4** Establishment of AFEZ legal entity by the investor.
- Step 5** The AFEZ Authority issues license and certificates to the established AFEZ legal entity.

Procedure Overview



06

Business Establishment Support

The Opportunity Realized



Establishment

The AFEZ Authority will constantly work with the investor to support the successful establishment of their legal entities in the AFEZ. This may include:

Finalizing the lease of a plot or office accommodation and providing direct assistance where necessary with:

- recruitment;
- accessing training programs;
- identification of sub-suppliers and service providers;
- supporting new legal entities in integration into the AFEZ business community.

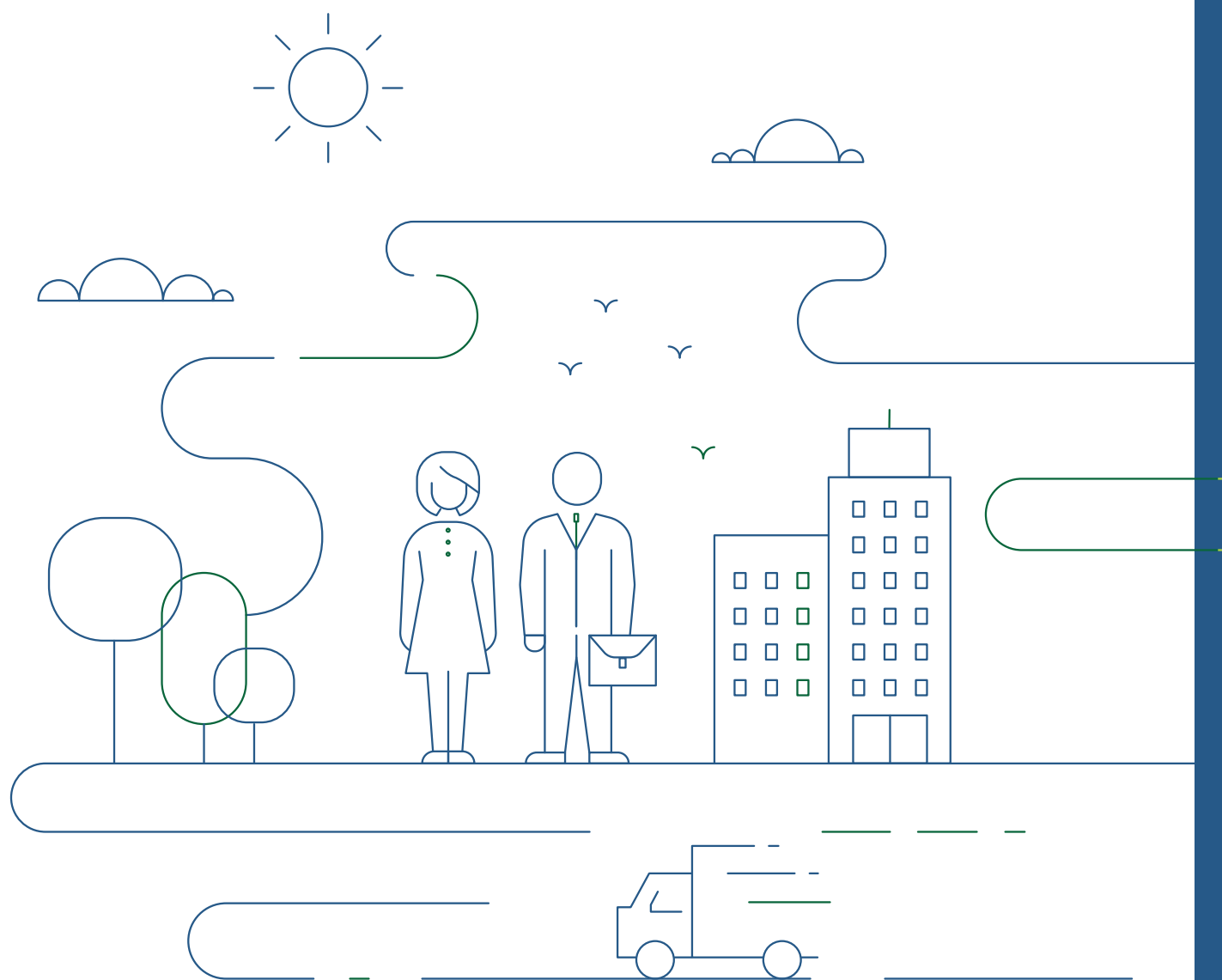
Finalizing

Following this process, the AFEZ Authority will continue to maintain regular contact with the established legal entity and provide ongoing support as required.

Procedure Overview



Thank you for reviewing the AFEZ Investor Guide. At this stage, we look forward to continuing our successful cooperation. If you have any questions, please don't hesitate to connect with the AFEZ Authority team via contact information provided on the back of this guide.



T. +994 12 437 9313
M. +994 55 202 9313
office@afez.az

www.afez.az