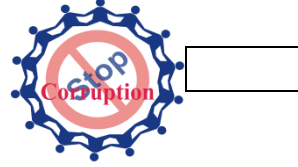




**“Konstitusiya”  
Araşdırmalar Fondu**



**QHT-l rin Antikorrupsiya  
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**EURASIA  
PARTNERSHIP  
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**“Establishment of accountability mechanism of public officials to the public and carrying out its advocacy campaign”**

***FINAL REPORT***

***Baku 2011***

This report is prepared in frame of project entitled “Establishment of accountability mechanism of public officials to the public and carrying out its advocacy campaign” implemented by “Constitution” Researches Foundation with financial support of Eurasia Partnership Foundation, organizational support of Information and Collaboration Network of NGOs on Combating Corruption.

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## **Foreword**

### **Alimammad Nuriyev**

President of "Constitution" Research Fund  
Coordinator of Information and Collaboration Network of  
NGOs on Combating Corruption

"The project entitled "Establishment of accountability mechanism of public officials to the public and carrying out its advocacy campaign" implemented by "Constitution" Researches Foundation with financial support of Eurasia Partnership Foundation, organizational support of Information and Collaboration Network of NGOs on Combating Corruption may be considered as a one of the important initiatives on combating corruption.

It should be noted that submission of income declaration by public officials as a significant tool on combating corruption was brought to the agenda in 2004. Complex and modern approach to the income declarations, and new provisions related to this were reflected in the Bill on Combating Corruption in Azerbaijan, in 2004. Also implementation of measures on approval of declaration form on financial information of public officials were mentioned in the second paragraph of improvement of legislation direction of Action Plan of National Strategy on Transparency and fight against Corruption. Cabinet of Ministries commissioned to prepare income declaration form and rules on submission of declaration in 2 month period by the 9 August 2005, No. 279 Decree of head of state on application of bill on "Approval of "Rules on submission of financial information by public officials". Unfortunately, income declaration form and rules on its submission is not developed yet.

"Constitution" Research Foundation considers income declaration mechanism as a very essential preventive tool on combating corruption, and decided to take initiatives in this direction. This initiative attracted public attention to this issue, the position of civil society regarding to this issue was reflected in concrete projects and suggestions. Without any doubt, it is very important by civil society to express their position by putting forward specific project in such essential issues.

As a result of the project implemented by Foundation community, public officials, civil society institutions, mass-media gained new information about income declarations.

We believe in that, initiatives of "Constitution" Research Foundation will be considered in the process of submission income declarations by public officials. Anyway, discussions carried out with relevant state bodies provide basis to be optimistic.

At the end I want to express my gratitude to the Eurasia Partnership Foundation for supporting this important project, expert group and project staff for their productive and creative activity.

## **Background**

The project entitled “Establishment of accountability mechanism of public officials to the public and carrying out its advocacy campaign” was implemented by “Constitution” Researches Foundation with financial support of Eurasia Partnership Foundation, organizational support of Information and Collaboration Network of NGOs on Combating Corruption in 6 month. The overall goal of the project is to establish the reporting mechanism before the society at large for officials in order to promote struggle against the corruption and increase transparency of the civil service. In frame of project international experience in the area of submission of income declarations by public officials was learned and investigative material entitled “Income declaration – international experience and comparative analysis in the context of Commonwealth of Independent Countries” was prepared. National legislation in the area of income declarations was investigated and suggestion package was prepared. Also draft of income declaration form, draft of rules on submission of income declarations by public officials was prepared.

The draft projects of Form of income declaration and regulations on submission of income declarations, also prepared offers to the legislation with aim of improving mechanism and procedures of declaring financial information was presented. Draft of declaration form on financial information, draft of rules on submission of income declaration, suggestions for improving legal basis in this sphere in Azerbaijan were discussed in conference hold in Baku with participation all interested sides – representatives of state bodies, civil society organizations, mass-media, international organizations, independent experts, members of parliament. Comments and suggestions were heard and taken into consideration.

Workshops on the theme “Accountability of public officials to the public” were hold in Ganca and Mingachevir. Public officials, NGO and Mass-Media representatives participated in workshops. Participants were given information about international tools and initiatives, international practice on application and regulation of income declarations, subject of declarations, submission periods, sanctions related to the its application, scope of information covered by declaration, requirement on its public disclosure. Also drafts of declaration form and its submission rules prepared by “Constitution” Research Foundation based on international practice were presented. Moreover, participants were given information about prepared changes and amendments to the legislation to improve procedures, mechanisms, and submission process of financial information by public officials by “Constitution” Research Foundation.

TV discussion on submission of income declaration by public officials was hold in “Economic Forum” TV program broadcasted in ANS TV.

Special section related to the income declarations was created in the web-site of Information and Collaboration Network of NGOs on Combating Corruption ([www.anticornet.az](http://www.anticornet.az)).

Two programs related to the international practice and national legislation on income declaration were broadcasted in Media FM.

Suggestions prepared in frame of project were presented to the Cabinet of Ministers and State Commission on Combating Corruption. These initiatives were caused interest and attention of authorities. Cabinet of Ministers sent suggestions to the Ministry of Taxes for being examined. Ministry of Taxes gave official response to the Foundation and it was said that “preparation of declaration form on financial information and submission rules are carried out by learning international experience. Suggestions of Foundation will be considered while preparation this project.”

# **Income declaration – international experience and comparative analysis in the context of Commonwealth of Independent Countries**

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## Introduction

Income declaration is a one of the most favourite mechanism applied on combatation corruption in recent years in the world. The need for application of this mechanism is related to the correctness and, transparency and accountability in the activity of persons represented in the different branches of the government. Submission of income declarations in public administration and political sphere has come to the agenda after The Second World War. One of the early political statements regarding the need to impose public disclosure of personal finances on certain federal officials was voiced in the message of President Truman to the Congress in 1951: "With all the questions that are being raised today about the probity and honesty of public officials, I think all of us should be prepared to place the facts about our income on the public record.". Corruption scandals happened in such countries as USA, Netherlands and Hong-Kong in 1960-1970s has lead to the consideration of income declarations as a tool on combating corruption and application at the end. This practice has been widely spreading in European countries since 1980s.

In Central and Eastern Europe this process has begun comparatively later, at the end of the 80s and 90s. Under socialist rule, public officials generally did not have to declare any income or assets and this process was completely new for this countries. The application of this practise has taken place in post socialist countries in 1990s. Since this time different forms and very various requirements were determined for disclosing revenues in the most developed countries.

This material presents information about essence of income declaration system, its place in state governance system, especially its effectiveness as a tool on combating corruption, the need for its establishment and it widely covers international practice on its application. There are both descriptive and analysis information in this document. Indicated approaches, forms, conflictive points on application of declarations have gained as a result of generalization of international experience. The practice and income declaration system of Post Soviet countries has been learned in a separate in this research. Also the information about the approaches to the application of this



system and its positive and negative influence has been described in this material. The requirements of the international instruments and legislative practice of the covered countries in this area has been analyzed and summarized. This document covers below mentioned data on application of income declarations: legislative basis, institutions, subjects of declarations, scope, disclosure requirements, and sanctions imposed on them, verification of the presented information, the factors influencing the efficiency of the system and other relevant issues.

In general the public officials term used for the purposes of this document should be adopted as a defined concept of public officials in the UN's "Convention on Combating Corruption".

Also different requirements of conventions, validation reports of international organizations on countries, publications and the investigations of independent researchers has been used in the preparation of this document. The list of all used documents and sources has been shown at the list of literature.

### **The importance of income declarations.**

Income declarations can prevent corruption in a several ways. First of all the submission of income declarations lets community and relevant bodies to control the enrichment or any other change in incomes of the public officials/subjects. The constant submission of this information allows determining the suspective cases beetwen person's incomes and expences in a given period, to demand its substantions from the person or carry out investigation on this.

Declarations are the effective signal for community. It allows tracking the possible conflict of interests of public officials and timely informing relevant bodies. It also increase confidence on the state agencies and gives assurance in transparency in the activity of public officials to the citizens. Declarations have remedial and preventive carachter. The possibility of exposure of illegal incomes, public control on them prevent public official from corruption actions.

Asset declarations is a very important tool for law enforcement agencies. Thus, in the case of any suspicion they can easily track incomes of public official, enterprises and organisations he is interested in, determine its compliancy with his bank account and determine relations beetwen his official income and daily living expences.

At the same time declaration can be used as additional source in criminal prosecution in China, Georgia, Hong Kong and other countries.

The existence of financial mechanisms is very useful tool in a implementation of corruption related criminal prosecution. Because, all normative acts determines responsibilities for inaccurate information presented in asset declarations. With this legislation defines corruption related and easy to prove law violation.

### **International tools and initiatives related to the asset declaration**

As result of wide application of asset declarations, it was reflected in international conventions as a successful tool and standard on combating corruption, came to the agenda of international workshops and meetings and became to the object of some international initiatives. Now asset declaration is a requirement of most of international conventions on combating corruption.

One of the earlier international documents that foresaw public officials' declarations was the Inter-American Convention Against Corruption. The Convention came into force on 3 June 1997. Convention determines a number of liabilities for member countries on implementing preventive activities. One of these activities is creation mechanism on submission asset declarations.

Other specialized convention is "The African Union Convention on Preventing and Combating Corruption". This convention came into force on 5 August 2006. Convention covers some aspects of corruption including illegal enrichment and concealment of property.

Nowadays public officials' declarations have become a part of the global standard that is embodied in the United Nations Convention against Corruption (adopted in 2003). Article 8 (Paragraph 5) contains a soft standard, which requires state parties to

*"endeavour, where appropriate and in accordance with the fundamental principles of its domestic law, to establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials".*

This article determines asset declaration system as an obligation for member countries. Moreover Technical Guide on UN Convention presents some recommendations for efficient operation of asset declaration system. Regarding to this recommendations disclosure must cover all substantial types of incomes and assets of public officials must create conditions for comparative analysis of financial state of public officials for years, prevent public officials' all possible opportunities to conceal their income and property.

The earliest European standard is found in the Recommendation Nr. R (2000) 10 of the Committee of Ministers to Member states on codes of conduct for public officials (adopted on 11 May 2000), where Article 14 refers to declarations, i.e.,

*“The public official who occupies a position in which his or her personal or private interests are likely to be affected by his or her official duties should, as lawfully required, declare upon appointment, at regular intervals thereafter and whenever any changes occur the nature and extent of those interests.”*

Despite European Union generally did not contain an explicit requirement to establish a declaration system for public officials for member countries, there have a de facto demand.

Thus, the general policy applied to the member states is that they implement the requirements of international standards in the field of combating corruption and carry out anti-corruption reforms and measures

The most wide range initiative in this sphere are the activities carried out in frame of Support for Improvement in Governance and Management programme (SIGMA) implemented by OECD and the European Union. Income declaration related issues also find their place in the activity of GREGO.

All above mentioned obligations, defined standards, and approaches of the states to this issue, achievements and failures on implementation of reforms has led to the formation of different ways and forms in the application of declarations.

## **International experience on application and regulation of income declarations**

Establishment of operational and complementary mechanism is very important for achieving effective income declaration system and its being able to give intended results. While implementing reforms on application of income declarations some issues must be reviewed and decisions should be made. This includes legislative regulations, institutional regulation, public openness, sanctions, subjects, periods, verification, and the scope of income declarations. There are both general and different approaches on these issues in international practice.

- **Legislative regulation**

There is no standard mechanism on legal application of income declarations. The legislative regulations of income declarations differs depending legal system, anti-corruption policies of the countries and the approach of the country to this issue. It is rather uncommon to include provisions for public officials' declarations in constitutions, although this would be legally the strongest form of embedding them. There are 3 main forms of legislative regulations in the international practice.

1) In the first form provisions on income declarations are the part of general legislation and they are mentioned in legislative acts regulating civil service and public administration. In this case the scope of person categories which income declarations cover is measured with the scope of laws of the country.

There are two approaches in this form. First approach determines obligations for subjects to submit income declarations (for example Ukraine and Belarusia). Another variety is the duty to notify superiors about one's outside employment and private interests, but not necessarily in the form of a regular declaration. Examples here are provisions in the Federal Officials Law (Bundesbeamtengesetz) in Germany and administrative procedure laws in Germany, Norway and Sweden. In the former variety, the civil service law may contain references to additional provisions in some special anti-corruption laws. Another experience in this approach is that it can also be established in codes of conduct/ethics and advisory guidelines that may not even have legal force. Yet they can become a part of the labour contract with a public official.

Examples here are the Ethics Guidelines for the State Service in Norway and the guidance Good Conduct in the Public Sector, which was adopted in 2007 in Denmark

2) In the second form special legislation is applied for regulation income declarations. There are two types in this form. Thus, in first type income declaration related provisions are part of main documents determining anti-corruption activities. For example Bills on Combating corruption, Conflict of interests or Ethical Code. This practice generally applied in former socialist countries and in countries in transition period.

In second type these are dedicated legislative acts that deal solely or primarily with the declarations of public officials. For example Bill on Income Declaration, Bill on Financial Information (Azerbaijan, Lithuania, and Tajikistan).

3) The third form implies separate regulations for individual branches of power and institutions. In this case the particular normative legal acts shall be adopted for different categories of persons. For example, parliament members, judges, prosecutors and other state body or category public officials.

- **Institutional regulations**

The institutional regulations of income declaration differ depending on countries. There are two approaches. Centralized or internal approaches: declaration related issues administrated inside state bodies by superiors or assigned to one of the existing state structures. These issues are submission of declaration, their verification, disclosure, imposing sanctions and other activities. Usually civil service commissions, central and local executive power bodies, defined by the parliamentary commissions, the agency determined in the structure of of judicial power and the Judicial-Legal Council, the Supreme Court, the Central Election Commission can be responsible institution for accepting declaration in internal approach. In this case prevention of conflict of interests, illicit enrichment or exposure any illegal contition is a responsibility of the head of these institutions.

The purpose of submission of declarations to the different organizations is to keep the principle of division of powers in the process.

Second approach is a centralized approach. In this case declarations are submitted to the separate institution. This institution can be specialized on combatting

corruption, ethical or conflict of interest issues. In this case for achieving efficiency these institutions must have enough independency, resources and power.

- **Subjects of income declaration system**

Countries differ widely as to what categories of public officials are covered within the declaration system. The scope of demands changes between minimum and maximum. The income declarations which scope or subject specified in minimum covers highest category of public officials which are ministers, high-ranking state officials, heads of state-owned enterprises and others. But wide scope specified declaration system covers public official represented in the smallest position of the civil service and in the various branches of government. In general in the income declaration systems which applied in most countries and considered as a best practice the coverage of subjects is large enough.

The practice does not approve that the expansion of subject of income declaration can result with effective impact on fight against corruption. The risk of corruption activity of person while execution his duties must be taken as criteria of the subject of income declaration.

Some of the declaration systems cover not only public officials but also certain persons related to them. Usually such related persons are not required to file declarations themselves; rather, public officials are required to provide certain data about them. The scope of this information is usually narrower than that relating to the public official him-/herself. One of the reasons for requesting this information is to prevent public officials from hiding their income and assets under the names of other people. Another is the realisation that the private interest of a person in some way related to the public official often has the same potential to interfere with the discharge of public functions as a private interest held by the public official directly

In general the scope of income declarations should be as large that it could contribute to the increase of prestige of state bodies among citizens and help voters to make choice while elections.

- **Interval of submission of income declarations**

There are various practices on submission periods of income declarations. The most wide spread of them is submitting declarations annually in constant basis.

According to the Jordanian legislation this information is submitted twice in a year. Submission is defined as an obligation in this case. In the most countries submission of declarations is a requirement to the candidates for admission to the civil service. After this they can submit in different times depending system. It can be submitted once in a year, in the case of progress or displacement in the position, in the significant changes in the personal financial situation and in the other cases. The practice used especially in African countries requires to submit income declaration while admission to the civil service and after disposal. Constant submission method is used mostly in countries where declarations are open to the public.

- **Sanction related to the application of income declarations**

The existence of sanctions or legal punishments in the the application system of declarations is not the main element for the effective operation of this system. Thus, existence of strong civil society and mass media attracts attention of the community to this issue and acts as a very strong control mechanism. On the other hand sanctions have a good impact on the application of declaration system. A punishment mechanism has preventive character. According to the international practice there are either criminal or administrative liabilities for violation of declaration requirements. Application of criminal responsibilities is not used widely in in declaration system. Despite of these some countries, for example Georgia use this sanction method. Application of income declaration related sanctions to the elected and persons holding political positions are very sensitive issue. Thus, nomination of disciplinary and other sanctions against such persons does not correspond with their special status and constitutional principles. From this standpoint sanctions related to the declaration system is softer toward to these persons.

### **Information which income declaration must cover**

Information about revenues from all resources, property, existing debts and liabilities, positions in private sector and in non-governmental organizations and shares must be reflected on income declarations. Presented information must provide the clear picture of person's financial situation. This information is presented in special form in most countries. In some other countries it can be presented as additions to the tax

declaration or as a part of internal application – questionnaires in state bodies. In order to reduce the number of presented declarations the limits of income were defined in most countries. Person must submit declaration only in the case when his income is above this limit. For example due to the Canadian practice member of parliament must disclose that part of their income which is above defined limit (10.000 Canada dollars). In the United States

Federal officials are required to disclose a gift only when the total received from a single source exceeds \$285 in a calendar year. Determination of these limits result with increase of efficiency and savings of resources.

### **Requirements on public disclosure of income declarations**

There are two main mechanisms on public disclosure of income declarations in international practice. First of them is a full disclosure and in this mechanism information is completely available for public and citizens can easily get this information by contacting state bodies or by getting information from their web site. In this case legislation demands state bodies accepting declaration to publish them or allocate them to the online resources.

Second mechanism is a partial disclosure. In this case only declarations of one group of public officials' category are disclosed to the public. For example, only high-ranking civil servants, state secretaries (ministers) and their deputies, persons appointed by President and others have the obligation to disclose their declarations in USA. Other persons submit this information to the special section or entities at their own institution. Another practice on partial disclosure is disclosing some part of information and keeping other part confidential.

On the other hand there are many countries which keep income declaration confidential. Mainly this experience is applied in the developing countries, countries in transition period and especially in the former socialist countries. In this case this information is available only to the accepting bodies and only they can use it.

There are two main arguments against public disclosure of income declaration.

Two objections against public disclosure are raised. The first, heard in states where crime and violence are a continuing concern, is that if criminals know that an official is wealthy, they are more likely to kidnap him or her or a family member for ransom. For this reason, Colombia and Haiti have both declined to require that financial



disclosures be public. The second is the privacy issue reviewed above. Whatever the infringement on an official's right to privacy by disclosing information about his or her wealth to a government entity, the infringement is that much greater when the disclosure is made public.

Disclosure of public officials' income declarations is very essential issue. As mentioned before it bring clarity to the questions raised by interested groups on differences between income and expences of public officials. As to the civil servants in lower category, the desicion on this should be made by taking into account local context, level of corruption, possible hazards and risks.

A 2008 World Bank survey found that over 100 countries require some form of disclosure by legislators. Of the 21 countries that responded to a 2007 survey of European Union members, 18 require legislators to disclose and 10 require judges to do so.

### **Verification of income declarations**

For the succesful operation of income declaration system, declaration must be analyzed constantly by accurate and unbiased authority or person. When they are not evaluated they will have only formal character and they will lose their influence as a effective tool. As a successful process in international experience verification of declarations is carried out in three stages.

1st stage is verifying whether declarations are compleate and meet all requirements. 2nd stage is clarification of submitted information by comparatively checking them with other resources. 3rd stage is implementation inspection by special electronic programs.

In addition a convenient and working declaration form must be applied for submitting declarations. Prepared format must facilitate their verification. The online implementation of this process in viable and it is applied in the countries where information technologies are developed. Electronic submission of declaration helps to reveal any incompatibility and incomplate information.

### **Disadvantages of income declarations**

In general there is no concrete agreement about benefits of income declaration mechanism on combating corruption in international experience. Income declarations are preventive mechanism and their application requires administrative resources. This

requirements are employers, technical base, flexible and efficient communication and appropriate financial resources. Another reason is the impact of application of income declaration on the attitude of people to the civil service and distracts them from civil service. Some group of people, particularly persons with tight relations with business sector consider this information as personal information. For this reason they prefer not to be part of civil service for not being subject to the requirement of disclose this financial information.

#### **List of used documents, normative-legal acts and, information sources.**

1. United Nations Convention on Combating Corruption  
(<http://www.unodc.org/unodc/en/treaties/CAC/index.html>)
2. Inter – American Convention against Corruption
3. (<http://www.oas.org/juridico/english/treaties/b-58.html>)
4. African Union Convention on Preventing and Combating Corruption  
([http://www.africa-union.org/official\\_documents/Treaties\\_%20Conventions\\_%20Protocols/Convention%20on%20Combating%20Corruption.pdf](http://www.africa-union.org/official_documents/Treaties_%20Conventions_%20Protocols/Convention%20on%20Combating%20Corruption.pdf))
5. GREGO Evaluations  
([http://www.coe.int/t/dghl/monitoring/greco/evaluations/index\\_en.asp](http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp)), The countries which reports were used: Georgia, Lithuania
6. Income and asset disclosure requirements in the World Bank client countries  
(<http://siteresources.worldbank.org/INTLAWJUSTINST/Resources/IncomeAssetDisclosureinWBClientsofJune62006.pdf>)
7. International experience with asset declarations, Anti-Corruption Resource Center  
(<http://www.u4.no/helpdesk/helpdesk/query.cfm?id=114>)
8. The United Nation Convention Against Corruption and Income and Asset Declaration, Richard Messick  
([http://www.nacc.go.th/ewtadmin/ewt/nacc\\_web/images/journal/richard.pdf](http://www.nacc.go.th/ewtadmin/ewt/nacc_web/images/journal/richard.pdf))
9. Asset Declarations for Public Officials: A Tool to Prevent Corruption  
([http://www.oecd.org/document/35/0,3746,en\\_2649\\_34859\\_47472419\\_1\\_1\\_1\\_1\\_00.html](http://www.oecd.org/document/35/0,3746,en_2649_34859_47472419_1_1_1_1_00.html))

10. OECD, Istanbul Action Plan, Evaluation report on Kazakhstan  
([http://www.oecd.org/pages/0,3417,en\\_36595778\\_36595900\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36595778_36595900_1_1_1_1_1,00.html)  
D)
11. OESD, “Istanbul action plan on combating corruption, Istanbul Action Plan for Fight against Corruption, Progress and Challenges”
12. OECD, Istanbul Action Plan, Evaluation report on Ukraine  
[http://www.oecd.org/pages/0,3417,en\\_36595778\\_36595900\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36595778_36595900_1_1_1_1_1,00.html)
13. OECD, Istanbul Action Plan, Evaluation report on Georgia  
[http://www.oecd.org/pages/0,3417,en\\_36595778\\_36595900\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36595778_36595900_1_1_1_1_1,00.html)
14. OECD, Istanbul Action Plan, Evaluation report on Tajikstan  
[http://www.oecd.org/pages/0,3417,en\\_36595778\\_36595900\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36595778_36595900_1_1_1_1_1,00.html)
15. OECD, Istanbul Action Plan, Evaluation report on Kyrgysstan  
[http://www.oecd.org/pages/0,3417,en\\_36595778\\_36595900\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36595778_36595900_1_1_1_1_1,00.html)

# **Research on practice on submission of financial information by public officials in Azerbaijan Republic and improvement of regulations**

## **Content:**

### **Introduction**

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- **Public officials who submit financial information**
- **State agencies adopting financial information**
- ***Terms of submission of financial information***
- ***Control over submission of financial information***
- ***Verification of financial information***
- ***Protection and disclosure of financial information***
- **Responsible for submission of financial information**
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## Introduction

After starting systematic fight against corruption in Azerbaijan, the application of income declarations mechanism became to the necessity. Because this mechanism is very effective tool in determining and preventing corruption and conflict of interest cases in activity of public officials. Additionally, this mechanism is one of the main requirements of all international conventions on combating corruption Azerbaijan Republic is a member. Also it is one of the main indicators on evaluation of quality of the county's anti-corruption system. Despite the history of declaration system in the Azerbaijan covers very short period, both legislative and institutional reforms have been carried out for making this mechanism able to be implemented. But, as the form of declaration to be submitted by public officials has not been approved, this mechanism is not working right now. Besides, the mechanism itself has a number of points that makes the effective functioning of this mechanism indefinite even after receipt of declaration and it does not meet international standards and best practices.

This document presents and analyzes the current situation and mechanism of income declaration system in Azerbaijan from both legislative and institutional point of view. The document gives information about the points which create difficulties for the mechanism to operate in the future, differences between international standards and national mechanism and gives suggestion for improvement and adaptation of this mechanism to the international practice. Also income declaration form and guideline on its application has been prepared and added to this document. The prepared declaration form was adapted to the requirements of the national legislation. We must note that it was not possible to get declaration form which is being prepared by the state bodies.

A number of national normative legal acts, information of state bodies, reports of international organizations, practice of foreign countries and practice showed in international document were used on preparation of this document.

## **Analyze of the national legislation on submission of financial information by public officials**

The first article on the income declaration in national legislation was mentioned in the “bill on the civil service” adopted in 21 June 2000.

Thus, according paragraph 9 of article 18 of the law, civil servants must annually give financial report on their incomes and property state to the head of the state body they serve to. They must show the source, type and amount of their additional incomes. According to this law, failure to comply to the requirements of this law can lead to the reprimand and excluding from civil service as a administrative responsibility. The existence of these provisions and determination of issue in this form is far from modern mechanisms of application of income declarations and is not efficient. Modern income declaration income declaration mechanism is very large and complicated process demanding special abilities, and combines a number of legislative and institutional reforms in itself.

Complex and modern approach and provisions related to this was mentioned in the Law “On Combating Corruption, adopted 13 January 2004. These provisions has determined the basis of modern income declaration mechanism and has provided framework for future components and improvements. Thus, Article 5 of this law determines the main financial requirements for public officials. According to this article public officials must annually submit below mentioned information to the defined agencies:

- Incomes and source, type and amount of it;
- Taxation property;
- Deposits, saving and other financial assets in credit organizations;
- Participation in companies, foundations and other economic subjects as the shareholder or the founder, its ownership share in these institutions;
- The debt with the amount five thousand time higher than the conventional financial unit;
- Financial and property liabilities exceeding a thousand time the conventional financial unit.

The notion of public official used in this document covers person considered as a public officials for the purposes of the Law “On combating corruption”. The scope of these persons is very wide and covers all categories sensitive to the corruption risk.

The further legal provisions on application of income declaration was reflected in the "the State Programme on Combating Corruption" approved on September 13, 2004 with the Decree of the President of the Azerbaijan Republic. Thus, the Article 2.19 of action plan the requires “determination of rules on submitting information about property and financial state by public officials and the agencies this information must be submitted” and Article 2.20 requires “determination control mechanism on property and financial state by public officials”. The responsible bodies for implementation of this activity are Caminet of Ministries and Comission on Combating Corruption. As a part of these activities The bill on “The rules on submission of financial information by public officials” (thereinafter “Rules”) was adopted in 24 June 2005. This bill has 11 article and it determines public officials who must submit financial information, content, period, accepting institution, verification of declarations, protection of given information and organization of control over this process. The Decree of President of Azerbaijan Republic adopted in 9 August 2005 on application of this Rules, brought some clarity to the indefinite issues. This Decree is a latest normative document adopted in this sphere. This decree appoints Cabinet of Ministers as a responsible structure for preparing declaration form and 2 month was allotted for it. At the same time The Ministry of Justice was appointed as a responsible structure receiving declaration from persons elected to the local administrations.

### **Public officials who submit financial information**

The scope of persons obliged to submit financial information determined according to the Bill “on Combating Corruption”. Also rules on submission declaration by candidates to the elective positions in state structures are regulated by Elective Code of Azerbaijan Republic. According to the rules the below mentioned persons must submit declarations:

- President of the Azerbaijan Republic
- Chairman of the Milli Majlis of Azerbaijan Republic
- Deputy Chairman of the Milli Majlis of the Azerbaijan Republic,

- Prime Minister of the Azerbaijan Republic
- Deputy of the Prime Minister of the Azerbaijan Republic,
- Head of the Executive Office of the President of the Azerbaijan Republic
- The head of the Office of the National Assembly of the Azerbaijan Republic,
- The head of the Office of the Constitutional Court of the Azerbaijan Republic,
- The head of the Office of the Supreme Court of the Azerbaijan Republic,
- The head of the Office of the Judicial-Legal Council,
- The heads of central executive power bodies of the Azerbaijan Republic,
- Deputy the heads of central executive power bodies of the Azerbaijan Republic and persons of similar status
- Chairman of the Supreme Assembly of Nakhchivan Autonomous Republic
- Deputy Chairman of the Supreme Assembly of Nakhchivan Autonomous Republic
- Prime Minister of the Nakhichevan Autonomous Republic
- Deputy of the Prime Minister of the Nakhichevan Autonomous Republic
- The heads of central executive power bodies of the Nakhchivan Autonomous Republic
- Deputy of the heads of central executive power bodies of the Nakhchivan Autonomous Republic
- The heads of local executive power bodies of the Azerbaijan Republic,
- The judges of the courts of the Azerbaijan Republic,
- General Prosecutor of the Azerbaijan Republic
- Deputy of the General Prosecutor of the Azerbaijan Republic, city, district and military prosecutors
- Human Rights Commissioner (Ombudsman),
- Deputy Chairman of the Central Bank of the Azerbaijan Republic
- Deputy Chairman of the Accounts Chamber
- Chairman of the Central Election Commission and the deputies,
- National TV and Radio Council,
- The general director and his deputies of Public Television and Radio Broadcasting Company.
- Extraordinary and Plenipotentiary ambassadors of the Azerbaijan Republic, permanent representatives to international organizations, General Consul,



- The heads of state higher education institutions,
- Also the heads of the state bodies, enterprises, organizations and specialized agencies of the central executive power determined by The Commission,
- Persons holding administrative positions specified in Article 11.1.2 of the Law "On civil service" of the Azerbaijan Republic,
- Persons holding positions of deputy of the heads of 2nd category state agencies and heads of departments provided in Article 11.1.3 of the Law "On civil service" of the Azerbaijan Republic,
- Persons holding positions of head of office of 5th category state body and public officials equal to this provided in Article 11.1.4 of the Law "On civil service" of the Azerbaijan Republic,

### **State agencies adopting financial information**

According to the Rules different structures were determined for adoption income declaration from officials in Azerbaijan. But the main specialized agency is State Anti-corruption Commission (thereinafter Commission) in this proces. The heads of all pranch of government, high-ranking officials of these branchs and persons with similar status must submit their declarations to the Commission. Parliament members of Azerbaijan Republic submit declarations to the structure determined by Parliament of Azerbaijan Republic. Members of Supreme Assembly of Nakhchivan Autonomous Republic submit their declarations to the structure determined by Supreme Assembly of Nakhchivan Autonomous Republic. Persons elected to the local administation bodies present financial information to the Ministry of Justice, persons exercising organizational- managment or administrative- supervisory duties submit their declarations to the local administrative authority. Other public official present declarations to the accountancy structure determined by the head of state body.

### ***Terms of submission of financial information***

Declarations are submitted once in a year from January 1 to 30. If public official is new to execution of his official duties he must submit declarations in 30 days from the date of commencement. Also public officials must present financial informations in defined time in the next year after retirement, dismissal or termination of competence. Also declaration can be demanded according to the requirements of the Bill “On Combating Corruption”. In present as declaration form is not approved declarations are not submitted. According to the Rules public officials must submit declarations in 4 month after approval of form.

### ***Control over submission of financial information***

Control over submission of declaration is implemented by agencies responsible for their adoption. These structures notify public officials in written form about legal consequences of not complying to the requirements of legislation regarding declaration within 15 days after commencement of the execution of their duties. The control over submission of financial information by candidates to the elective positions in state bodies is defined and implemented according to the Election Code of Azerbaijan Republic. Declarations cannot be withdrawn by public officials after submission. Structures receiving financial information give document about adoption of declaration to the public officials.

### ***Verification of financial information***

Structures receiving declarations are responsible for their verification. These structures check their being filled correctly while accepting them. According to the Article 8.2 of Rules structures accepting declarations can carry out initial inspection on the provided information.

Initial inspection is carried out for determining accuracy and completeness, differences between financial information provided in the latest submitted declaration and declarations submitted previously. Responsible structure can ask for written and verbal explanation from public official while initial inspection. The explanations taken while initial inspection is attached to the declaration. Also public official has a right to get acquainted with the results of inspection and give written explanation. If any violation of

law was determined while initial inspection the structures receiving financial information send materials to the appropriate state body for further actions.

### ***Protection and disclosure of financial information***

According to the Rules financial information submitted by public officials is considered as a secret of private life. . The authorities receiving financial information must ensure the protection of confidentiality of provided information. This information is not open to public. This information can be demanded from receiving structure by Commission, General Prosecutor of the Republic of Azerbaijan and courts. Also illegal collection or distribution of declarations submitted by public official has criminal liability in accordance with legislation.

### **Responsible for submission of financial information**

Firs of all the responsibility on submission of declarations defined in the Bill “On Combating Corruption”. According to the Article 6 of the law public officials and candidates to the positions of the state bodies must be notified about requirements and legal consequences of not complying to the requirements regarding financial information by structures receiveng declarations. Public officials prepare declarations in written form and they are responsible for accuracy and completeness of information provided in the declaration. Intentional failure to comply with the requirements of these persons by public officials may lead to disciplinary liability. This may lead to the disciplinary liabilities defined according to the other laws. For example: On the basis of Law “on Courts and Judges” if declarations required by Law “On Combating Corruption” is not submitted, disciplinary measures can be applied to the judges. Also Commission can publish information about these persons in official state newspaper.

Also violation of requirements of Rules may lead to the criminal, administrative and disciplinary responsibilities in accordance with Azerbaijan legislation.

### ***Declaration about financial information***

According to the Rules financial informations are submitted in the declaration form. Declaration form and submission regulations are determined by the relevant executive power body. The relevant executive power body is a Cabinet of Ministers of Azerbaijan Republic. All required information provided by the Bill “On Combating Corruption” must be reflected in the declaration. As well as information about asset, financial and asset obligations of public official’s family members must be included.

### **Generalized information about income declaration system of Azerbaijan Republic**

<b>Legislative basis</b>	“Bill on Combating Corruption”, Bill on “Rules on submission of financial information by public officials”, Decree of President of Azerbaijan Republic on “application of bill of Azerbaijan Republic “on approval of “Rules on submission of financial information by public officials”
<b>Structures receiving declarations</b>	Commission of Combating Corruption, structures determined by Parliament and Supreme Assembly of Nakhichevan Authonomus Republic, Ministry of Justice, structures determined by local administrative authority and heads of state bodies.
<b>Disclosure</b>	Information provided in declaration is not disclosed to the public.
<b>Subjects of declarations</b>	Its scope is very wide and it covers all public officials, their family members and candidates to the official positions.
<b>Verification of declarations</b>	Declarations are verified in the initial inspection form by receiving structures.
<b>Sanctions</b>	Violations of requirements regarding declaration may lead to the criminal, administrative and disciplinary responsibility.

### **Recommendation on improvement and adaptation to the international standards of national legislation and institutional mechanism on income declaration**

If existing normative legal basis on application of income declaration will be completed it will be enough for this mechanism to operate. Completion must be

understood as a approval of income declaration form which is an essential document for operation of this mechanism. Decree of President of Azerbaijan on “application of Bill of Azerbaijan Republic “Rules on submission of financial declarations by public officials” give task to the Cabinet of Ministers to prepare declaration form and determine regulations on application of declaration within 2 month. Despite this task was made in August 9, 2005 forms of declaration still have not been approved. If declaration form and regulations on its application will be prepared in accordance with best practise main attention should be paid to the reception, verification, cooperation with other structures and determinations responsibilities for operation of this mechanism. There are some issues in approach, legislative basis and mechanism of application of income declaration system in Azerbaijan. This issues eliminate adaptation of this system to the best international experience.

Thus, activities related organization of the work of structure responsible for reception of declaration, increasing the skills and knowledge in this area and strengthening technical basis is not carried out. In general, if to take into consideration the number and submission interval of declarations, the technical capabilities of Commission – centralized structure on reception of declaration, is limited for organization of this work. This problem is actual for other structures receiving declarations. Any information was obtained about preparation activity for organization of reception of income declarations in these structures. Additionally, control and checking opportunities of these structures are limited.

According to the Article 4 of Rules officials prepare declarations in written form. It prevents submission of declaration in electronic form. But, according international practise declarations are submitted in electronic form via internet. Analysis of legislation related to the declaration shows that, there is reference to the number of other laws in these laws. However, information about these normative-legal documents is indefinite and may create confusion on users.

Receiving structure must have opportunity to carry out comprehensive inspection of declaration, access to the relating information and register sources. While initial inspection determined by existing system not all declaration with suspicious data can be detected and, if to take into consideration that initial inspection is not demanded for each declaration, it increase this risk.

In similar case if declarations are inspected in random selection way they are inspected comprehensively and depending on the results public official can be subject

of liability. According to the Article 8.5 of Rules if any violation of law was detected while initial inspection the agency receiving financial information sends these materials to the relevant state body for further activity to be carried out. There is a lack of concreteness as it is not shown to which state body materials must be sent and what kind of further activities can be implemented.

Information provided in declarations is considered as a secret of private life in national legislation and it is not disclosed to the public. There are several mechanisms on disclosure of declarations in international practice. One of them is a partial disclosure. In this case only information of persons from defined category is disclosed. Amendments can be made to the Rules regarding this and it can provide disclosure of information.

### **Suggestions**

- *Development of skills, potential and technical capabilities of institutions receiving income declarations for verification and processing of declarations by these institutions.*
- *Eliminate the uncertainty in references to the institutions and/or other legislative acts in existing legislative basis related to the income declarations*
- *Preparation of guide rules to eliminate any possible questions related to the income declarations and to make it understandable*
- *To take actions and to make amendments to the legislation for submission of income declarations in electronic form .*
- *To provide full or partial disclosure mechanism of income declarations.*
- *To enlarge scope of initial inspection of income declarations, with this aim to provide access to the relating information base and registers, to ensure the implementation of inspection on the basis of random selection or by potential risk assessment*

- *To provide Commission with access to the declarations adopted by other institutions responsible for adoption and verification of income declarations, for example National Assembly, Nakhichevan Autonomous Republic, Ministry of Justice.*

### **The list of used materials**

- ***The Bill “On combating corruption”***
- *State program on Combating corruption*
- *The Bill of Azerbaijan Republic “on approval of “Rules on submission of financial information by public officials”*
- *The Decree of the President of Azerbaijan Republic “on implementation of The Bill of Azerbaijan Republic “on approval of “Rules on submission of financial information by public officials”*
- *Information from expert investigation on “Income declarations – international experience and comparative research on the context of CIS*
- *Income control system for public officials and natural persons, analysis and recommendations for the Republic of Latvia*  
([http://www.knab.gov.lv/uploads/eng/final\\_report\\_income.pdf](http://www.knab.gov.lv/uploads/eng/final_report_income.pdf))
- *African practice on income declarations*  
(<http://www.u4.no/helpdesk/helpdesk/query.cfm?id=160>)
- *Asset Declarations for Public Officials: A Tool to Prevent Corruption, OECD*  
([http://www.oecd.org/document/35/0,3746,en\\_2649\\_34859\\_47472419\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/35/0,3746,en_2649_34859_47472419_1_1_1_1,00.html))
- *Investigation of income declaration form systems applied in USA, Romania, Ukraine and Georgia.*

## **The draft of income declaration form**

**Preparation of declaration form on submission of financial information by public officials and its justification.**

The declaration form on submission of financial information by public officials must reflect all income information required by legislation and should be able to be verified by receiving institutions and the format of declaration must be clear to persons for filling them.

Depending on the income declaration system of countries these documents can be short – 2-3 pages, and generalized numbers about income and asset are indicated in them. Also income declaration forms can be large – 5 -15 pages, and all data is shown in separate paragraphs, the scope of the document is large. Usually in declaration systems open to the public the content of the declaration is relatively short and limited. At the same time they cover all significant information. In the declaration systems involving specialized organs or tax authorities as adopting organ the content of income declarations is comprehensive enough. The scope of information indicated in income declaration system of Azerbaijan Republic is determined by Article 5 of Bill “On Combating Corruption”. It should be noted that the legislation of Azerbaijan relating to the content requirements for declarations is quite wide and it can be effective tool on preventing potential conflict of interests incidences in activity of persons submitting income declarations.

**The draft of income declaration form**

This declaration form was prepared by “Constitution” Researches Fund in accordance to the “Regulations on submission of financial information by public official” approved with the The Law of the Azerbaijan Republic dated 24 June 2005.

<b>1</b>	<b>Institution the declaration submitted to</b>	
<b>2</b>	<b>Submission date</b>	“ _____ ” _____ 20__



<b>3</b>	<b>The financial year covered by declaration</b>	20___ - 20___
<b>Personal information of the person who submitted declaration</b>		
<b>4</b>	Name Surname Patronymic Address Number of identification document	_____ _____ _____ _____ _____
<b>Personal information about the wife/husband of the person who submitted declaration</b>		
<b>5</b>	Name – (wife or husband) Surname Patronymic Address Number of identification document	_____ _____ _____ _____ _____
<b>Personal information about father and mother living together with the person who submitted declaration</b>		
<b>6</b>	Name of father/mother Surname Patronymic	_____ _____ _____
<b>Personal information about the children living together with the person who submitted declaration</b>		
<b>7</b>	Name Surname Patronymic Date of birth  Name Surname Patronymic Date of birth  Name Surname Patronymic Date of birth  Name Surname	_____ _____ _____ _____  _____ _____ _____ _____  _____ _____ _____ _____  _____ _____ _____ _____

	Patronymic Date of birth	
<b>Contact information of the person who submitted declaration</b>		
<b>8</b>	Phone number (work, home, mobile) Fax E-mail	_____ _____ _____
<b>Workplace and the occupation of the person who submitted declaration</b>		
<b>9</b>	Institution Position of the person The date of the appointment The date when was dismissed, the competence is terminated, or the date of retirement	_____ _____ _____ _____ _____
<b>Income of the person who submitted declaration</b>		
<b>10</b>	Salary Dividends Presents Income from securities Savings income Income from scientific activity Income from educational activity Income from creative activity inheritance Honorars Pension Social allowences Aliments rental income Income from the sale of property	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____

	Paid debts	
	other income	
	1	
	2	
	3	
4		

**Taxation property of the person who submitted declaration**

<b>11</b>	Land	
	<ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
	Garden	
	<ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
	Home	
	<ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of</li> </ul>	

	obtainment	
	<ul style="list-style-type: none"><li>• The price if has been obtained during the reporting period</li></ul>	<hr/> <hr/>
	<ul style="list-style-type: none"><li>• The note on giving to the lease</li></ul>	<hr/> <hr/>
	Flat	<hr/>
	<ul style="list-style-type: none"><li>• The area</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• Address</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• State registration number</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• The date of obtainment</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• The price if has been obtained during the reporting period</li></ul>	<hr/> <hr/>
	<ul style="list-style-type: none"><li>• The note on giving to the lease</li></ul>	<hr/> <hr/>
	Buldings with or without the revenue purpose SahēSi	<hr/>
	Address	<hr/>
	<ul style="list-style-type: none"><li>• State registration number</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• The date of obtainment</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• The price if has been obtained during the reporting period</li></ul>	<hr/> <hr/>
	<ul style="list-style-type: none"><li>• The note on giving to the lease</li></ul>	<hr/> <hr/>
	Transport means	<hr/>
	<ul style="list-style-type: none"><li>• Type</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• Name</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• Year</li></ul>	<hr/>
	<ul style="list-style-type: none"><li>• Number of the state registration certificate</li></ul>	<hr/>

	<ul style="list-style-type: none"> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
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**Taxation property of wife/husband of the person who submitted declaration**

<b>12</b>	<p>Land</p> <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul> <p>Garden</p> <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul> <p>Home</p> <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> </ul>	
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	<ul style="list-style-type: none"> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/>
	<p>Flat</p> <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
	<p>Buldings with or without the revenue purpose</p> <ul style="list-style-type: none"> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
	<p>Transport means</p> <ul style="list-style-type: none"> <li>• Type</li> <li>• Name</li> <li>• Year</li> <li>• Number of the state registration</li> </ul>	<hr/> <hr/> <hr/> <hr/>

	<p>certificate</p> <ul style="list-style-type: none"> <li>The date of obtainment</li> <li>The price if has been obtained during the reporting period</li> <li>The note on giving to the lease</li> </ul>	
<b>Taxation property of parents living together with the person who submitted declaration</b>		
<b>13</b>	<p>Land</p> <ul style="list-style-type: none"> <li>The area</li> <li>Address</li> <li>State registration number</li> <li>The date of obtainment</li> <li>The price if has been obtained during the reporting period</li> <li>The note on giving to the lease</li> </ul> <p>Garden</p> <ul style="list-style-type: none"> <li>The area</li> <li>Address</li> <li>State registration number</li> <li>The date of obtainment</li> <li>The price if has been obtained during the reporting period</li> <li>The note on giving to the lease</li> </ul> <p>Home</p> <ul style="list-style-type: none"> <li>The area</li> <li>Address</li> <li>State registration</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

	number	
	• The date of obtainment	
	• The price if has been obtained during the reporting period	
	• The note on giving to the lease	
	Flat	
	• The area	
	• Address	
	• State registration number	
	• The date of obtainment	
	• The price if has been obtained during the reporting period	
	• The note on giving to the lease	
	Buldings with or without the revenue purpose Sahasi	
	• Address	
	• State registration number	
	• The date of obtainment	
	• The price if has been obtained during the reporting period	
	• The note on giving to the lease	
	Transport means	
	• Type	
	• Name	
	• Year	
• Number of the state		



	registration certificate <ul style="list-style-type: none"> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
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**Taxation property of children living together with the person who submitted declaration in total**

<b>14</b>	Land <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
	Garden <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
	Home <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> </ul>	

<ul style="list-style-type: none"> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
<p>Flat</p> <ul style="list-style-type: none"> <li>• The area</li> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
<p>Buldings with or without the revenue purpose Sahəsi</p> <ul style="list-style-type: none"> <li>• Address</li> <li>• State registration number</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
<p>Transport means</p> <ul style="list-style-type: none"> <li>• Type</li> <li>• Name</li> <li>• Year</li> </ul>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

	<ul style="list-style-type: none"> <li>• Number of the state registration certificate</li> <li>• The date of obtainment</li> <li>• The price if has been obtained during the reporting period</li> <li>• The note on giving to the lease</li> </ul>	
<b>Deposits at credit organizations, securities and other financial assets</b>		
<b>15</b>	<p>The amount of deposit</p> <p>The financial institution where deposit is placed and account number</p> <p>The date of placement of the deposit</p> <p>The amount of the securities</p> <p>The date of obtainment of securities</p> <p>The number of securities</p> <p>Other financial assets (indicate clearly)</p>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
<b>Participation in companies, foundations and other economic subjects as the shareholder or the founder, its ownership share in these institutions</b>		
<b>16</b>	<p>The name and legal address of the company where person is a shareholder or founder</p> <p>The amount of share or ownership interests</p>	<hr/> <hr/> <hr/> <hr/>
<b>The debt with the amount five thousand time higher than the conventional financial unit</b>		
<b>17</b>	The amount of the debt	<hr/>
<b>Financial and property liabilities exceeding a thousand time the conventional financial unit</b>		
<b>18</b>	Property type	

Address	
Date of establishment the liability	
The total area of the property	
The kind of financial liability	
The amount of financial liability	
Terms of financial liability	

I confirm the authenticity and completeness of the information provided in the statement with my signature

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**The draft of regulations on submission of financial declarations**

These regulations were prepared in accordance to the 1.3 paragraph of Decree No. 278 of President of Azerbaijan Republic on “Authorization of “Regulations on submission of financial information by public official” dated on August 9, 2005.

This document determines the terms of submission of declaration forms (thereinafter declaration) approved by Cabinet of Ministries of Azerbaijan Republic in xx.xx.xxxx by public officials, also dismissed persons from position, persons whose authority was terminated or retired person, required with legislation.

1. Declarations by public officials will be submitted to the Secretariat of the Commission on Combating Corruption of the Republic of Azerbaijan.
2. Declarations can be submitted in person, by legal representative, post and electronically by using e-signature.
3. Declarations must be submitted in the period determined in the 6<sup>th</sup> paragraph of “Regulations on submission of financial information by public official” authorized with the Law of Azerbaijan Republic dated June 24, 2005. Declarations can be submitted by the end of work day or in the 24 hour electronically in the last day of determined period. If the last date of this period coincides with non-working day, declaration must be submitted in the next working day.
4. The rules for recording and saving of declaration are determined by the receiving organization.
5. Declarations can be filled with blue pen in an accurate, clean viewing form or can be filled by computer. In a declarations filled by computer each page must be signed by public official after printing. If declaration is filled by pen any correction can not be made on it and the order of writing must not lead to the confusion.
6. The declaration without submission date and signature of public official is not considered as received.
7. If there is no relevant information the “—“character must be written in the blank place.
8. In the case relevant columns and lines of declaration is not enough for filled information, this data must be added to the declaration as an additional information form. In this case, it must be clearly explained to which specific parts the information is related.

9. In the conditions of declaration where address is requested public official must give the address showed in the passport as a registered residence.

10. In the column of number of identification document of Declaration must be given information about issued organization, serial number and date of issue.

## **Law of Azerbaijan Republic**

### **On amendments and changes to the “Rules on submission financial information by public officials” approved with bill of Azerbaijan Republic №945-IIQ dated June 24, 2005**

National Assambly of Azerbaijan republic decides:

To make following amendments and changes to the “Rules on submission financial information by public officials” approved with bill of Azerbaijan Republic №945-IIQ dated June 24, 2005:

1. Article 8.6 and 8.6 shall be added with following content:

In accordance with regulations defined by relevant central executive authority 30% of declaration on financial information submitted by public officials provided with 3.1, 3.2, 3.3 paragraphs of Rules and 10 % of other public officials is inspected by involving independent auditor.

8.7. In case of violation of law identified during independent audit materials are sent to the relevant state body for further actions.

2. Article 9 shall be added with the following content:

“Article 9. Disclosure and submission of financial information

9.1. Financial information submitted by the public officials provided in the 3.1, 3.2 and 3.3 of the Rules is posted in the official web-site of receiving state body.

9.2. Financial information submitted by public officials can be demanded from receiving agencies by Commission, by decision of General Prosecutor relating corruption offences or by decision of court.

9.3. Financial information submitted by public officials can be given to the mass-media according to their request.

9.4. Illegal collection and distribution of financial information submitted by public officials entail responsibility in accordance with legislation.

**Project**

## **Bill of Azerbaijan Republic**

### **On amendments and changes to the Administrative Offences Code and Criminal Code of Azerbaijan Republic relating responsibilities for violation of periods and regulations on submission of financial information**

National Assambly of Azerbaijan Republic decides:

1. Article 257-6 with following content shall be added to the Administrative Offences Code of Azerbaijan Republic::

“Article 257-6. Failure to submit the declaration on the financial information in a timely manner

Public officials failed to submit declaration on financial information in the period defined by legislation without valid reason

- shall be fined an amount from five hundred to one thousand manats.”

2. Article 313-1 and 313-2 with following content shall be added to the Criminal Code of Azerbaijan Republic:

“Article 313-1. Deviation from submission of declaration on financial information

Persons deviated from submission of declarations by who has been subject of administrative responsibility for failing to submit declaration on financial information in the period defined by legislation without valid reason

-shall be fined an amount from three thousand to five thousand manat or punished by inprisonment for term of one year with denial to hold certain positions or right to get engaged in certain activity for term of two years.

Article 313-2. Intentionally submission of declaration on financial information in incomplete and distorted form

Intentionally submission of declaration on financial information in incomplete and distorted form by public officials, that is, not indication some part of the information required by legislation in declaration or providing this information in falsified form

-shall be fined an amount from three thousand to five thousand manat or punished by inprisonment for term of one year with denial to hold certain positions or right to get engaged in certain activity for term of two years



## Photos from the events held in frame of project



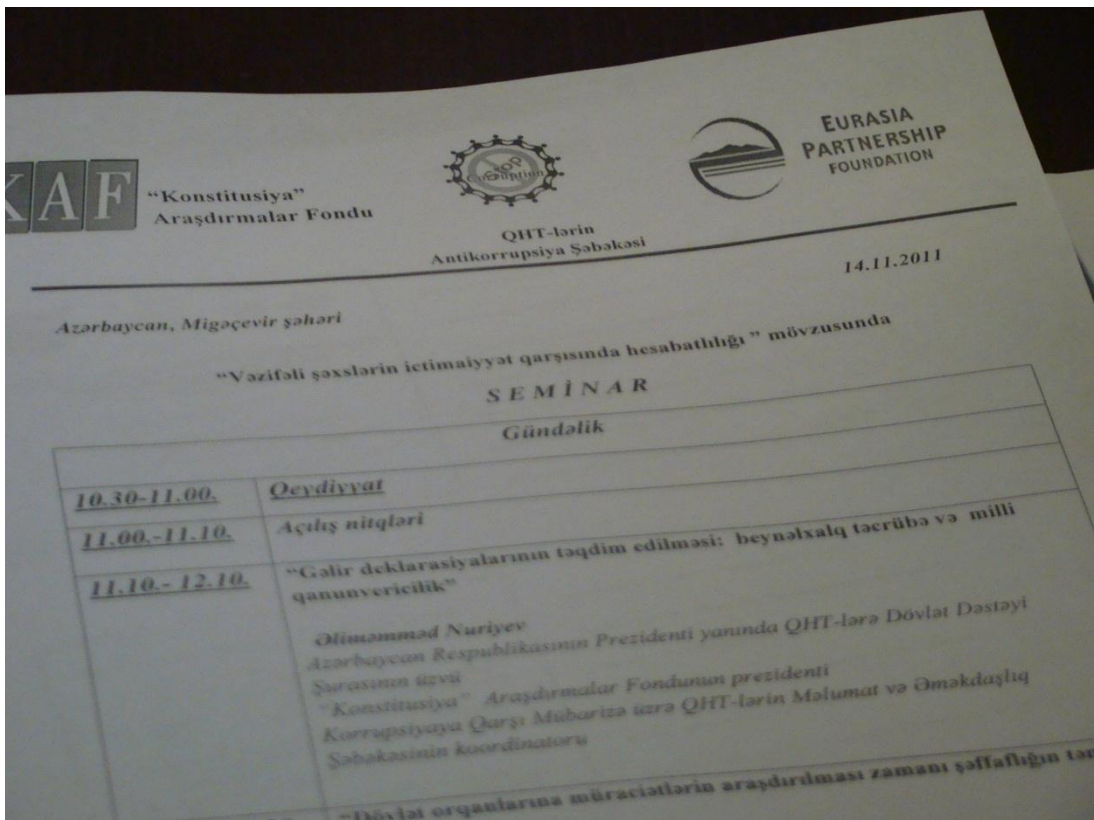
Presentation conference on income declaration in Baku



Workshop for civil servants and NGO representatives in Ganca



Presentation conference on income declaration in Baku





Workshop for civil servants and NGO representatives in Mingachevir

