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Labor Code amendments

Significant amendments to the Labor Code of the Republic of Azerbaijan (the “Code”) were enacted pursuant to Law No. 332-VIIQD dated 30 December 2025. These reforms introduce substantial updates to labour relations, employee protections, contractual practices, working conditions, and employer obligations, reflecting a comprehensive modernization of Azerbaijan’s employment framework.

Introduction of New Legal Concepts

The amendments formally introduce several key definitions into the Code, including:

- **Employee with family responsibilities** – an employee whose employment opportunities, performance, or career advancement may be restricted due to caregiving obligations toward family members (spouse, parents, children including adopted children), persons under guardianship, or entrusted children.
- **Business trip** – the temporary assignment of an employee, pursuant to an employer’s order, to perform lawful duties outside the employee’s permanent workplace.
- **Remote (distance) work** – performance of employment functions outside the employer’s premises using electronic, telecommunications, or software-based tools at any suitable location. Additional employment conditions related to remote work must be agreed contractually between employer and employee, providing flexibility while ensuring legal clarity.
- **Minimum wage** – established as a social standard in line with the Law “On the Subsistence Minimum,” defining the minimum monthly remuneration for unskilled labour and services.

Clarification of the Code’s Scope of Application

The criteria defining individuals excluded from the Labor Code have been revised. The amendments remove territorial references previously limiting applicability and now explicitly exclude foreign nationals who have concluded employment contracts with foreign legal entities and perform their duties within Azerbaijan.

Expansion of Employees’ Fundamental Rights

Employees are now expressly entitled to reimbursement of business trip expenses at rates not lower than those approved by the relevant executive authority.

Clarification of Employees' Core Obligations

The Code now formally requires employees to undertake business trips when assigned by the employer, subject to statutory limitations.

Additionally:

- The obligation to protect production secrets has been removed
- The duty to preserve commercial and tax confidentiality has been expressly incorporated

Expanded Exemptions from Anti-Discrimination Rules

Granting privileges, safeguards, or special concessions to employees with family responsibilities is no longer considered discriminatory.

Establishment of a Tripartite Commission on Labour and Social Issues

A permanent commission composed equally of representatives from:

- Government authorities
- Employers
- Trade unions

will oversee social-labour relations, collective bargaining coordination, preparation of the General Collective Agreement, and consultation on draft social protection legislation.

New Grounds for Fixed-Term Employment Contracts

Fixed-term contracts may now be concluded with:

- Students engaged in internships or practical training
- Foreign nationals and stateless persons employed under work permits

Revised Approach to Employment Documentation

Submission of documents related to social or labour benefits (family status, disability, veteran status, internally displaced person status, etc.) is now voluntary rather than mandatory.

Revisions to Probation Period Provisions

Employers are no longer required to explicitly state termination rights related to probationary failure within the employment contract.

Amendments to Job Transfer Rules

Transfers involving a change in profession, specialty, or position not stipulated in the employment contract may occur only with employee consent, through either:

- Contract amendments, or
- Execution of a new employment contract

Expanded Grounds for Dismissal and Suspension

New grounds now include:

- Failure to complete occupational safety training and knowledge assessments
- Obstruction of investigations into labour violations

Suspensions may continue until the underlying causes cease, with duration determined based on circumstances and employee conduct.

Clarified Termination Procedures

Key updates include:

- Employees may withdraw termination notices lacking a specified end date any time before the notice period expires
- Gross misconduct now includes unlawful disclosure of sensitive confidential data
- Employees dismissed due to military service are entitled to compensation of at least three months' average salary
- Priority retention rules no longer include employees disabled due to workplace accidents or occupational diseases

Enhanced Working Time Regulations

Employers must consider employees' family responsibilities when organizing shift and night work where feasible.

Additionally, when part-time conditions change and vacancies arise, employers are obligated to facilitate transition to full-time employment.

Introduction of a New Public Holiday

20 September – State Sovereignty Day has been added as an official public holiday (working day classification).

Comprehensive Revisions to Leave Entitlements

Key developments include:

- Clarified categories entitled to **30 calendar days of annual leave**, including civil servants, managerial, and specialist roles
- Public holidays, mourning days, and voting days occurring during leave extend the leave period without payment
- Expanded categories eligible for **46+ days of leave**, including war veterans and individuals disabled due to national service
- Paid maternity leave extended from expected birth date to actual childbirth date
- Fathers granted **14 calendar days of paid childbirth leave**
- Coordinated unpaid leave rules for employees holding multiple employment positions
- Expanded discretionary leave rights across main and secondary employment
- Removal of certain categories from automatic unpaid leave entitlement
- Combination of multiple additional leave entitlements with annual leave
- Employer authority to enforce leave schedules when employees fail to comply

Updated Remuneration and Salary Calculation Rules

- Average salary calculations now adjust for partial paid leave, unpaid leave not initiated by employees, and inactivity beyond employee control
- Leave pay must not be lower than the employee's most recent salary
- Salaries must be paid at least monthly (or bi-monthly by agreement, with a maximum 16-day interval)
- Enforcement deductions capped at **70% of payable salary**

Revised Disciplinary Sanction Timeframes

Periods of illness, leave, or salary-protected absences are excluded from the one-month disciplinary limitation period.

Strengthened Occupational Health and Safety Requirements

- Mandatory safety training:
 - Every three months for hazardous workplaces
 - Annually for other employees
- Electronic systems required for training records
- Small enterprises (<50 employees) may appoint qualified safety officers or dedicated specialists

Law on suspension of the audits

The President signed Decree on approval of changes to the Law on suspension of the audits.

According to the Law audits to be conducted by the local authorities other than those connected to the tax, customs, fire protection, radiation safety, construction safety and health of population (medicament and food quality control) get suspended till 01 January 2027.

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