

LAW OF THE REPUBLIC OF AZERBAIJAN

In accordance with the 10th and 12th clauses of Part I of Article 94 of the Constitution of the Republic of Azerbaijan, this Law regulates public relations in the field of mediation, which is one of the methods of alternative dispute resolution, and determines the goals, principles, implementation rules and status of mediators of mediation.

Chapter 1. General Provisions

Article 1. Basic concepts

1.0. The main terms used in this Law have the following meanings:

1.0.1. mediation - the process defined by this Law regarding the settlement of the dispute between the parties on the basis of mutual agreement with the mediation of the mediator(s);

1.0.2. parties - legal and natural persons (including natural persons who carry out entrepreneurial activities without creating a legal entity), as well as administrative bodies that have agreed to the application of the mediation process;

1.0.3. mediator - a natural person who meets the requirements of this Law, engaged by the parties or appointed by the mediation organization for the implementation of the mediation process on a professional basis;

1.0.4. mediation organization – a legal entity defined in Article 11.1 of this Law;

1.0.5. mediation participants - mediator and parties;

1.0.6. other persons participating in the mediation - lawyers, representatives, translators, experts and specialists participating in the mediation process, employees of the mediation organization, as well as other persons participating in the mediation process with the consent of the parties;

1.0.7. conciliation agreement - a written agreement reached between the parties as a result of the mediation process;

1.0.8. agreement on the application of the mediation process - a written agreement concluded between the parties for the resolution of the dispute (existing or that may arise in the future) through the mediation process;

1.0.9. mediation clause - a contract, contractual term, or any other document that requires the parties to participate in a mediation process before going to court or arbitration (jury court) regarding any dispute;

1.0.10. agreement on the provision of mediation services - a written agreement signed between the mediator or the mediation organization and the parties for the provision of mediation services;

1.0.11. dispute - a dispute that has arisen (or may arise) between the parties, provided for in Article 3.1 of this Law.

Article 2. Legislation on Mediation

2.1. The legislation on mediation consists of the Constitution of the Republic of Azerbaijan, this Law, other normative legal acts, as well as international agreements to which the Republic of Azerbaijan is a party.

2.2. Relations in the field of mediation in the tool free economic zone are regulated in accordance with the requirements of the Law of the Republic of Azerbaijan "On tool free economic zone".

Article 3. Scope of mediation

3.1. Mediation applies to:

3.1.1. civil cases and *commercial disputes* (including disputes with a foreign element); [1]

3.1.2. disputes arising from family relationships;

3.1.3. disputes arising from labor relations;

3.1.4. disputes arising from administrative law relations.

3.2. *Commercial disputes*, as well as disputes arising from family and labor relations, in accordance with Articles 28 and 29 of this Law, require participation in a preliminary mediation session before applying to court. [2]

3.3. If the disputes provided for in Article 3.1 of this Law affect the rights of third parties who do not participate in the mediation or persons who are considered by the court to be incapacitated or have limited capacity, such disputes cannot be mediated. When those cases are discovered, the mediator (mediation organization), the parties or one of them refuse the mediation process on those disputes.

3.4. In cases where a settlement agreement is not concluded as a result of the mediation process, the issue of exemption from the state fee when applying to the court of the party who paid his own part of the costs related to the mediation process before the court or the party who paid the mediation costs in accordance with Article 36.2 of this Law Law of the Republic of Azerbaijan "On State Fee" is determined by If a settlement agreement is signed between the parties as a result of the mediation process after applying to the court, the paid state fee is returned in accordance with the Civil Procedure Code of the Republic of Azerbaijan.

3.5. In the administrative buildings of the courts, information boards about the mediators and mediation organizations operating in the areas close to their locations should be placed. The Mediation Council shall ensure that the relevant courts update the information on the information boards as changes occur in the mediation register.

Article 4. Goals and principles of mediation

4.1. Mediation aims to reduce the level of conflict between the parties and ensure a satisfactory resolution of the dispute.

4.2. Mediation is carried out on the basis of the following principles:

4.2.1. volunteering;

4.2.2. legal equality and cooperation of the parties;

4.2.3. impartiality and independence of mediators;

4.2.4. inadmissibility of interference in the mediation process;

4.2.5. confidentiality.

Article 5. Volunteering

5.1. Mediation is voluntary (taking into account Articles 28 and 29 of this Law) and the parties are free to choose a mediator.

5.2. Mediation is carried out on the basis of the "agreement on the application of the mediation process" concluded with the mutual consent of the parties (taking into account Article 21.1 of this Law).

5.3. During mediation, the parties use their material and procedural rights at their discretion, as well as have the right to increase or decrease the amount of their demands, to refuse mediation at any stage of the mediation, taking into account the requirements of Articles 28 and 29 of this Law.

Article 6. Legal equality and cooperation of the parties

6.1. The parties enjoy equal rights and bear equal duties in all matters during mediation, including the selection of a mediator.

6.2. The parties shall cooperate and act mutually for the purposes of the mediation.

6.3. Mediation is based on the cooperation of the parties in resolving the dispute, as well as communication and negotiation.

Article 7. Independence, impartiality of mediators and inadmissibility of interference in the mediation process

7.1. During mediation, the mediator must be independent and impartial. When carrying out the mediation process, the mediator should not be dependent on the parties, state and local self-governing bodies, legal and natural persons, and during the mediation, the aforementioned bodies and persons are not allowed to interfere in the activities of the mediator.

7.2. The mediator must treat both parties equally during the mediation, ensure equal participation of the parties during the mediation and create equal opportunities for both parties to present their demands during the process. The mediator must refuse to conduct the mediation if there are circumstances that prevent the impartiality of the mediator.

Article 8. Confidentiality

8.1. If the parties have not agreed separately, the mediation is closed.

8.2. Unless a separate condition has been established between the parties, as well as the cases required for the purpose of approving and implementing the settlement agreement, all information obtained during mediation (including the initiative of one of the parties to conduct mediation, consent to mediation and a possible solution to the dispute, one of the parties and or the mediator's opinion or suggestions on the possible settlement of the dispute, statements or confessions made by one of the parties during the mediation, documents drawn up for the purpose of mediation, etc.) confidentiality is protected by mediation participants and other persons participating in mediation.

8.3. Mediation participants and other persons participating in the mediation have no right to disclose or refer to the information that became known to them during the mediation in court and arbitration (jury court) proceedings, during other mediation or in any other cases (except for the cases with the written consent of the party who provided the information and those persons cannot participate as witnesses regarding such information).

8.4. Articles 8.2, 8.3 and 8.5 of this Law do not apply to cases where the duty to provide information obtained during mediation about serious and especially serious criminal cases, as well as to disclose information related to mediation during criminal proceedings, is determined by a court decision.

8.5. Protection of the confidentiality of the information obtained during the mediation must be ensured even after the right of the mediator and the mediation organization to carry out the relevant activities is suspended or after the removal from the membership of the Mediation Council.

8.6. Violation of the confidentiality rules provided for in Article 8 of this Law by mediation participants and other persons participating in mediation shall result in liability provided by law.

Article 9. Rights and duties of the parties

9.1. The parties have the following rights:

9.1.1. the rights provided for in Articles 5 and 6.1 of this Law;

9.1.2. choose and refuse a mediation organization or mediator;

9.1.3. participate in mediation in person or through a representative based on a power of attorney;

9.1.4. to receive information about the mediation process and its possible results;

9.1.5. to exercise other rights defined by this Law.

9.2. The parties may freely determine all conditions for the application, implementation and completion of the mediation process in accordance with this Law by mutual agreement.

9.3. The parties have the following duties:

9.3.1. ensure the implementation of the settlement agreement;

9.3.2. protect the confidentiality of the mediation process;

9.3.3. perform other duties defined by this Law.

Chapter 2. Activities of the mediator

Article 10. Mediator requirements

10.1. A natural person who wants to become a mediator must meet the following requirements:

10.1.1. must have higher education;

10.1.2. must be over 25 years old;

10.1.3. must have at least 3 years of work experience;

10.1.4. must complete the training on the initial training of mediators and obtain the certificate provided for in Article 14.2 of this Law;

10.1.5. in the cases provided for in Article 17.5 of this Law, the relevant period should be expected to pass.

10.2. The following natural persons cannot be mediators:

10.2.1. persons deemed incompetent or with limited capacity by the court;

10.2.2. persons who have a legally binding decision of the court on the application of mandatory measures of a medical nature;

10.2.3. persons whose convictions have not been paid or discharged.

10.3. In the absence of the circumstances specified in Article 10.2 of this Law, a natural person who meets the requirements specified in Article 10.1 of this Law shall have the right to engage in mediator activities from the moment of admission to the membership of the Mediation Council.

10.4. The mediator may engage in any other activity not prohibited by law.

Article 11. Mediation organization

11.1. For the purpose of development and improvement of mediation, the mediation organization determines the rules for the marketing of mediation services, the payment of fees and other costs for the services of mediators with whom it has concluded an employment contract or a relevant civil-law contract, creates conditions for conducting negotiations during mediation, with this Law or the agreement of the parties. *is a non-commercial legal entity* that appoints mediators to conduct the mediation process in the cases defined by [\[3\]](#)

11.2. According to the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities", a legal entity registered in the state can be a mediation organization.

11.3. A legal entity has the right to act as a mediation organization from the moment it is accepted as a member of the Mediation Council. In order to be accepted as a member of the Mediation Council, a legal entity must meet the following requirements:

11.3.1. there must be an employment contract with at least two mediators (at least one of them must have a higher legal education);

11.3.2. must have an approved procedure for evaluating the quality of mediation services provided by the mediator;

11.3.3. it must have an office consisting of at least two rooms;

11.3.4. in the case of cases provided for in Article 11.8 of this Law, the relevant period should be expected to pass.

11.4. The right of the mediation organization to perform mediation activities is terminated in the following cases:

11.4.1. when an application is submitted by the mediation organization (including when the activity of the mediation organization as a legal entity is suspended);

11.4.2. if he does not fulfill the decision of the Mediation Council on the elimination of cases of violations of the duties defined by this Law (for a period of 1 to 6 months, taking into account the period necessary for the elimination of the violation).

11.5. The mediation organization is excluded from the membership of the Mediation Council in the following cases:

11.5.1. when a relevant application is submitted by the mediation organization;

11.5.2. when the mediation organization is dissolved;

11.5.3. if there is an appropriate decision of the court regarding invalidation of its registration by the court due to the violations of legislation committed during the creation of the legal entity;

11.5.4. If incorrect information is later found in the documents and information provided for membership of the Mediation Council;

11.5.5. if he does not inform the Mediation Council in writing about the result of the elimination of cases of violations of the duties defined by this Law at least 1 working day before the end of the period of suspension of the right to carry out mediation activities;

11.5.6. if he does not pay the membership fee for more than six months without an excuse.

11.6. Suspension of the mediation organization's right to conduct mediation activities or removal from the membership of the Mediation Council is carried out by the decision of the Mediation Council (removal according to Articles 11.5.5 and 11.5.6 of this Law is only a legally binding decision of the court) and such decisions become effective from the date relevant entries are made in the mediation register about that mediation organization.

11.7. 5 days on the resumption of its activity by the Mediation Council based on the written request made by the mediation organization within the period specified in Article 11.5.5 of this Law, when the circumstances specified in Article 11.4.2 of this Law, which were the basis for the suspension of the mediation organization's right to carry out mediation activities, disappear a decision is made during the period.

11.8. A legal entity removed from the membership of the Mediation Council according to Articles 11.5.4 and 11.5.6 of this Law or another legal entity established by the founder of that legal entity shall be admitted to the membership of the Mediation Council after 1 year from the date of entry into force of this decision. may apply to the Mediation Council in accordance with the established procedure.

Article 12. Rights and duties of the mediator

12.1. The mediator has the following rights:

12.1.1. to carry out mediation activities individually or through a mediation organization based on one's own request;

12.1.2. receive a service fee agreed with the parties;

12.1.3. to hold joint or separate meetings with both parties in the mediation process, to cooperate, to give them oral and written recommendations;

12.1.4. to inform the public about its activities while maintaining the principle of confidentiality;

12.1.5. contact the representative directly with the represented party by informing the representative;

12.1.6. to exercise other rights defined by this Law.

12.2. The mediator has the following duties:

12.2.1. to observe the principles of mediation defined by this Law;

12.2.2. participate in professional development courses organized not less than once in two years and receive a relevant certificate;

12.2.3. acting within the framework of the agreement of the parties during mediation;

12.2.4. explaining the goals of the mediation, their rights and duties to the parties before the mediation begins;

12.2.5. to return the documents given to him by the parties after the end of the mediation;

12.2.6. to comply with the rules stipulated in Article 20.1.5 of this Law;

12.2.7. to execute decisions made by the Mediation Council in accordance with this Law;

12.2.8. perform other duties defined by this Law.

12.3. The mediator cannot provide legal or other services to the parties or represent any of the parties and act as an arbitrator (juror) in the court or arbitration (jury court) process of the dispute that is the subject of mediation.

Article 13. Objection to mediator

13.1. During mediation, the parties have the right to replace the mediator with another mediator based on mutual agreement.

13.2. If the mediator is unable to conduct the mediation based on the principles of mediation defined by this Law, he must immediately object to himself.

13.3. If the mediator concludes that the continuation of the mediation will not lead to the resolution of the dispute, he can refuse to conduct the mediation or terminate the mediation process with the written consent of the parties.

Article 14. Initial training and qualification of mediators

14.1. The initial training of those who want to become a mediator, as well as the improvement of the qualifications of mediators, is carried out at the mediation training institution.

14.2. Those who have completed the training on the initial training of mediators, as well as mediators who have completed the advanced training course, are given an appropriate certificate by the mediation training institution.

14.3. Training in the mediation training institution is carried out in accordance with the training procedure for training and improving the qualifications of mediators.

14.4. The requirements of Articles 11.2 and 11.4-11.8 of this Law apply to the mediation training institution. A mediation organization can act as a mediation training institution if it meets the requirements of Article 14.5 of this Law.

14.5. A legal entity acquires the right to operate in the field of mediation training from the moment it is accepted as a member of the Mediation Council. In order to be admitted to the membership of the Mediation Council as a mediation training institution, a legal entity must meet the following requirements:

14.5.1. must have an employment contract or a relevant civil-legal contract with at least two of the following categories of persons:

14.5.1.1. with at least 1 mediator who has conducted at least 10 mediation cases in the last 2 years;

14.5.1.2. with 1 trainer who has at least 2 years of teaching experience in mediation (including as part of the subject of alternative dispute resolution) in the last 6 years or who has conducted at least 2 mediation trainings within the framework of international projects in the last 3 years;

14.5.1.3. with at least 1 trainer who has the appropriate certificate of training of mediation trainers organized by international mediation institutions in the field of mediation;

14.5.2. must have a detailed program on preliminary training and advanced mediation classes;

14.5.3. in the case of cases provided for in Article 11.8 of this Law, the relevant period should be expected to pass.

14.6. The issue of recognition of work experience or certificates obtained in foreign countries in accordance with Articles 14.5.1.1–14.5.1.3 of this Law is regulated by the procedure of keeping the mediation register.

Article 15. Mediation register

15.1. The mediation register is maintained by the Mediation Council for the purpose of determining the list of mediation organizations, mediators and mediation training institutions.

15.2. Mediation organizations, mediators and mediation training institutions must inform the Mediation Council within 30 days of changes in the information about them in the mediation register.

15.3. The procedure for entering information about mediation organizations, mediators and mediation training institutions into the mediation register, making changes to that information, as well as maintaining the mediation register, which includes the issues provided for in Article 14.6 of this Law, is determined by the body (institution) determined by the relevant executive authority. .

15.4. The mediation register is open and is posted on the official website of the Mediation Council and the information is constantly updated.

Article 16. Disciplinary responsibility of the mediator

16.1. The mediator bears disciplinary responsibility for the violation of duties stipulated in Articles 12.2 and 12.3 of this Law. The information on bringing the mediator to disciplinary responsibility is entered in the mediation register and is kept in the register for 6 months from the day of its entry.

16.2. Depending on the severity of the committed violation, the following disciplinary measures are applied against the mediator:

16.2.1. warning;

16.2.2. rebuke;

16.2.3. Suspension of the right to act as a mediator for a period of 1 to 6 months.

16.3. Disciplinary measures against the mediator are applied by the decision of the Mediation Council. Disciplinary measures against the mediator are applied within 1 year from the date of violation. The procedure for carrying out disciplinary proceedings is determined by the Mediation Council.

16.4. The mediator is not responsible for the non-resolution of the dispute between the parties based on mutual agreement or the non-implementation of the settlement agreement.

16.5. Disciplinary liability does not exempt the mediator from civil, administrative and criminal liability for damage caused as a result of violating the duties defined by this Law, as well as from disciplinary liability imposed by the mediation organization where he works.

Article 17. Suspension of the right to perform mediator activity or removal of the mediator from the membership of the Mediation Council

17.1. The right to act as a mediator is terminated in the following cases:

17.1.1. when he submits a corresponding application at his own request;

17.1.2. if he fails to fulfill the decision of the Mediation Council on the elimination of cases of violations of the duties defined by this Law (for a period of 1 to 6 months, taking into account the period necessary for the elimination of the violation);

17.1.3. provided in Article 16.2.3 of this Law.

17.2. A mediator is removed from the membership of the Mediation Council in the following cases:

17.2.1. when he submits a corresponding application at his own request;

17.2.2. if there is a legally binding conviction of the court or a legally binding court decision on the application of mandatory medical measures;

17.2.3. when it is determined by the court that he is considered incapable of functioning or of limited functioning according to the law;

17.2.4. upon death;

17.2.5. when declared dead by a court or considered missing;

17.2.6. if he does not pass the professional development course in accordance with Article 12.2.2 of this Law;

17.2.7. if the disciplinary measures provided for in Article 16.2 of this Law are applied at least 3 times within a year;

17.2.8. If incorrect information is later found in the documents and information submitted for the purpose of becoming a member of the Mediation Council;

17.2.9. if the mediator does not inform the Mediation Council in writing about the result of the elimination of the cases of violations of the duties defined by this Law at least 1 working day before the end of the period of suspension of the right to exercise the mediator's activity;

17.2.10. if he does not pay the membership fee for more than six months without an excuse.

17.3. Suspension of the right to exercise mediator activity or removal from the membership of the Mediation Council is carried out by the decision of the Mediation Council (removal according to Articles 17.2.7, 17.2.9 and 17.2.10 of this Law is only a legally binding decision of the court) and From the date such decisions come into force, appropriate records are made about that mediator in the mediation register.

17.4. When the circumstances specified in Article 17.1.2 of this Law, which were the basis for the suspension of the right to carry out mediator activities, disappear, on the basis of a written request made by the mediator within the period specified in Article 17.2.9 of this Law, as well as the period provided for in Article 16.2.3 of this Law when it ends, the Mediation Council makes a decision on the restoration of the activity of the mediator within 5 days.

17.5. An individual removed from the membership of the Mediation Council according to Articles 17.2.2, 17.2.7, 17.2.8 and 17.2.10 of this Law after 1 year has passed from the date of entry into force of this decision (Article 17.2.2 of this Law and in the case provided for in Article 1, also under the condition that the conviction is paid or removed) may apply to the Mediation Council in the manner established by this Law for admission to the membership of the Mediation Council.

Chapter 3. Activities of the Mediation Board

Article 18. Mediation Board

18.1. The Mediation Council is a non-commercial legal entity, established on the basis of mandatory membership of mediation organizations, mediators and mediation training institutions, and carrying out its activities on the principle of self-management, in order to perform the functions provided for in Article 20.1 of this Law.

18.2. The Mediation Council is organized and operates in accordance with this Law, other normative legal acts and its charter.

Article 19. Property of the Mediation Board

19.1. The ownership (use) of the Mediation Council may include property of any kind that is not prohibited by law.

19.2. The property of the Mediation Council is formed at the expense of membership fees, grants, donations and other sources not prohibited by law.

19.3. The amount of the membership fee for the members of the Mediation Council, the period and rules for payment of this amount are determined by the Council's charter.

Article 20. Functions of the Mediation Board

20.1. The Mediation Council performs the following functions:

20.1.1. carries out regulation and supervision in the field of mediation;

20.1.2. takes measures related to the development of mediation, organizes or participates in the preparation of drafts of state programs and normative legal acts in this field;

20.1.3. takes measures related to the conduct of training on the initial training of persons who want to engage in mediator activities and professional development courses of mediators by mediation training institutions;

20.1.4. keeps the register of mediation organizations, mediators and mediation training institutions;

20.1.5. prepares proposals on the procedure for training and improving the qualifications of mediators, the procedure for maintaining the mediation register, the procedure for the professional ethical behavior of mediators, and the procedure for the implementation of the mediation process, approved by the body (institution) determined by the relevant executive power body;

20.1.6. prepares and approves forms of documents related to the mediation process, including protocols and references;

20.1.7. collects and analyzes statistical data from mediation organizations, mediators and mediation training institutions;

20.1.8. analyzes the efficiency of the mediation system no less than once in three years, based on this, makes appropriate proposals and takes other measures;

20.1.9. organizes conferences and promotional events in the field of mediation;

20.1.10. examines applications received regarding the activities of mediation organizations, mediators and mediation training institutions;

20.1.11. makes a decision on the elimination of cases of violation of the duties defined by this Law by the mediation organization, mediator and mediation training institution;

20.1.12. makes a decision on bringing mediators to disciplinary responsibility;

20.1.13. makes decisions on the suspension of the right of mediators, mediation organizations and mediation training institutions to carry out their respective activities and removal from the membership of the Mediation Council, and in the cases provided for in Articles 11.6 and 17.3 of this Law, raises the relevant issue before the court;

20.1.14. determines the procedure for carrying out disciplinary proceedings;

20.1.15. discloses informational and statistical reports on mediation activities to the public once a quarter;

20.1.16. performs other functions defined by this Law and its regulations.

20.2. The mediation organization, mediator and mediation training institution can appeal to the court about the decisions and other actions and inactions of the Mediation Council.

Chapter 4. The mediation process

Article 21. Grounds for applying the mediation process

21.1. The mediation process is carried out on the basis of the "agreement on the implementation of the mediation process" concluded between the parties or by participating in the initial mediation session in accordance with Articles 28 and 29 of this Law.

21.2. "Agreement on application of the mediation process" can be applied before the dispute between the parties is brought to court or when the case is being heard in court.

21.3. The parties or one of them can take the initiative to conclude the "agreement on the application of the mediation process". Courts also give proposals to the parties to resolve the dispute between them through mediation. In the cases provided for in Article 3.2 of this Law, relevant bodies (institutions) explain to the parties their duties to participate in the initial mediation session in accordance with Articles 28 and 29 of this Law.

21.4. The conclusion of the "agreement on the application of the mediation process" in accordance with the procedure established by this Law leads to the suspension of proceedings in civil, *commercial and administrative disputes between the parties*. [4]

21.5. The mediation process starts from the moment when the offer provided for in Article 21.6 of this Law is sent, and in the absence of such an offer, in the cases provided for in Articles 28 and 29 of this Law, the parties participate in the initial mediation session, and in other cases provided for in Article 22 of this Law. the agreement on the application of the mediation process" is considered to have started from the moment of its conclusion.

21.6. One of the parties shall notify the other party in writing about the application of the mediation process, the information provided for in Article 22 (except for Articles 22.1.1, 22.1.4, 22.1.7 and 22.1.8) of this Law, as well as the parties' if there is a mutually agreed upon mediator (mediators) or mediation organization, it sends information about it, and if there is no, it sends a proposal reflecting proposals about it. Unless otherwise agreed between the parties, the proposal mentioned in the first sentence of this article must be submitted to the party at least 5 days before the date of the mediation session.

21.7. With the exception of the case provided for in Article 21.8 of this Law, if the proposal sent in accordance with Article 21.6 of this Law is not answered within 10 days, the mediation process shall be initiated according to Article 32.1.4 of this Law, and if that proposal is rejected in any form within 10 days the mediation process is automatically terminated according to Article 32.1.3 of this Law.

21.8. If the name of the mediator (mediation organization) is specified in the reservation on mediation between the parties, and if the proposal sent in accordance with Article 21.6 of this Law is not answered within 10 days or the proposal is rejected, the party sending the proposal shall refer to the mediator provided for in the reservation on mediation (appeals to a mediation organization). After that mediator (mediation organization) submits to the parties the information provided for in Article 22 (with the exception of Article 22.1.1) of this Law and the notification of the mediation session, which reflects the date, time and place of the mediation session, the parties or one of them mediates if he does not participate in the session or refuses to participate in writing, or if he does not agree to sign the "agreement on the application of the mediation process", the mediator presents to those persons a statement about "non-participation in the mediation session" by noting the parties who participated in the session and those who did not. Unless otherwise agreed between the parties, the notice mentioned in the second sentence of this article must be provided to the parties at least 5 days before the date of the mediation session.

21.9. If one of the following requirements is not met, the appeal is kept pending by the court:

21.9.1. in the cases provided for in Articles 28 and 29 of this Law, if the party does not attach the relevant reference or protocol provided for in Article 29.7 of this Law to its application to the court;

21.9.2. if the protocol provided for in Article 32.2 of this Law is not attached to the appeal submitted to the court in the event that the "agreement on the application of the mediation process" is concluded between the parties;

21.9.3. if there is a reservation on mediation between the parties, if the mediation process started in connection with the sending of the proposal provided for in Article 21.6 of this Law is not terminated in the manner specified in Article 21.7 of this Law;

21.9.4. in the cases provided for in Article 21.8 of this Law, if the party does not add the reference provided for in that Article to its application to the court.

~~21.10. The non-participation of the party in the mediation, contrary to the terms of the mediation stipulation or the "agreement on the application of the mediation process" without an excuse, leads to the liability provided by the law.~~ [5]

Article 22. Agreement on application of mediation process

22.1. The "agreement on application of the mediation process" is concluded in writing and the following is indicated in that agreement:

22.1.1. the date, time and place of the contract;

22.1.2. names and details of the parties;

22.1.3. the subject of the dispute;

22.1.4. information about the mediator(s) or mediation organization chosen by the parties;

22.1.5. conditions and procedure for payment of costs related to the mediation process;

22.1.6. if there is no other agreement between the parties, the obligations of the parties regarding the confidentiality of the mediation and the liability for failure to comply with that obligation;

22.1.7. the duration of the mediation process;

22.1.8. procedure for conducting the mediation process;

22.1.9. Other conditions in accordance with the Civil Code of the Republic of Azerbaijan, this Law and other normative legal acts.

22.2. By mutual agreement of the parties, additions and changes can be made to the "agreement on the application of the mediation process".

22.3. "Agreement on application of the mediation process" can be concluded through a representative, additions and changes can be made to it. Powers specified in Articles 22.1 and 22.2 of this Law must be specified in the power of attorney issued to the representative.

Article 23. Selection of mediator or mediation organization, place and time of mediation

23.1. To implement the mediation process, the parties choose one or more mediators based on mutual agreement. The parties can also apply to the mediation organization for the selection of a mediator.

23.2. When the parties apply to the mediation organization for the selection of a mediator, the mediation organization offers the parties the candidacy of one or more mediators, or as stipulated in the "agreement on the application of the mediation process" concluded between the parties, as well as according to the mutual agreement of the parties or the second part of Article 28.3 of this Law appoints the mediator (mediators) directly in the cases provided for in the sentence.

23.3. The mediator or the mediation organization must explain to the parties the goals of the mediation, their rights and duties free of charge, until the "agreement on the application of the mediation process" is concluded.

23.4. The relationship between the mediator or the mediation organization and the parties is regulated by the agreement on the provision of mediation services. In the agreement concluded on the provision of mediation services, the rights and duties, responsibility, confidentiality, mediation costs of the mediator or the mediation organization, the parties, and other conditions are defined in accordance with this Law and the Civil Code of the Republic of Azerbaijan.

23.5. The mediator determines the place and time of the mediation process with the mutual consent of the parties.

Article 24. Rules for implementation of the mediation process

24.1. The mediation process is carried out in accordance with this Law, the procedure for the implementation of the mediation process and the internal procedure of the mediation organization (if any), prepared in accordance with this procedure, and the professional ethical behavior of mediators.

24.2. In the mediation process, the mediator can hold meetings with all the parties together or separately, cooperate, give oral and written recommendations. In this case, the mediator should not take actions that put one of the parties in a superior position or limit their rights and duties.

24.3. Subject to Articles 28 and 29 of this Law, the parties may refuse mediation at any time during the mediation process.

24.4. The parties can participate in the mediation process directly or through their representatives. The parties can use the help of lawyers, translators, experts and specialists in the relevant field during the mediation process. With the agreement of the parties, other persons can also participate in the mediation process.

24.5. In the mediation process, the parties express their positions and proposals for the settlement of the dispute in writing or orally. In the mediation process, the parties agree on the terms of dispute resolution.

24.6. At any stage of the mediation process, the mediator may make a non-binding verbal or written offer to resolve the dispute. The settlement offer is made with the consent of the parties.

24.7. In accordance with Article 21.5 of this Law, the total duration of the mediation process may not exceed 30 days. Taking into account the complexity of the dispute, the duration of the mediation process can be extended up to another 30 days with the agreement of the parties. The specific duration of the mediation process is determined by the "agreement on the application of the mediation process" taking into account the general period.

Article 25. Features of mediation in civil cases and *commercial disputes*

25.1. *Any civil cases and commercial disputes* (including disputes with a foreign element) that can be resolved by mutual agreement of the parties may be resolved through mediation.

25.2. The organization (institution) determined by the relevant executive authority approves the training procedure for the training and increasing the qualifications of mediators in the field of protection of consumers' rights.

Article 26. Features of mediation on disputes arising from family relations

26.1. The following disputes arising from family relationships may be resolved through mediation in accordance with this Law:

26.1.1. conditions for continuation of marriage;

26.1.2. the procedure for exercising parental rights and duties;

26.1.3. determining the child's place of residence;

26.1.4. the order of maintenance of the child and other family members who are unable to work;

26.1.5. other disputes arising from family relations.

26.2. Mediation provisions may be included in the prenuptial agreement.

26.3. For disputes arising from family relations affecting the interests of the child, the mediator receives the opinion of the body (institution) determined by the relevant executive authority.

26.4. If during disputes arising from family relations there are circumstances that may endanger the normal growth and development of the child, or may harm his interests, or there is a possibility that such circumstances may arise, the mediator is obliged to inform the body (institution) determined by the relevant executive authority about this, and the mediator may refuse to implement the mediation process for cases.

26.5. *The mediator is obliged* to submit the reconciliation agreement that touches on the growth, development and other interests of the child to the body (institution) determined by the relevant executive authority . [\[6\]](#)

26.6. The organization (institution) determined by the relevant executive power body approves the training procedure for mediators' preparation and qualification enhancement for disputes arising from family relations.

Article 27. Features of mediation on disputes arising from labor relations

27.1. The following disputes arising from labor relations may be resolved through mediation in accordance with this Law:

27.1.1. individual labor disputes;

27.1.2. collective labor disputes.

27.2. The organization (institution) determined by the relevant executive power body approves the training procedure for mediators' training and qualification enhancement for disputes arising from labor relations.

Article 28. Participation in the initial mediation session on *commercial disputes* , as well as disputes arising from family and labor relations

28.1. *Before going to court for commercial disputes* , as well as disputes arising from family and labor relations, the parties must participate in an initial mediation session.

28.2. The preliminary mediation session on disputes mentioned in Article 28.1 of this Law is conducted by a mediator or a mediator organization mutually agreed upon by the parties.

28.3. If the party's proposal to apply the mediation process provided for in Article 21.6 of this Law is not accepted within 10 working days after it is submitted to the other party, or if the parties do not agree on a mediator or mediation organization according to Article 28.2 of this Law, the initial mediation session will be canceled by any of the parties. a mediation organization located in the same city or district as the court to which one initially applied, to which the dispute relates, and if there is no mediation organization in that city or district (taking into account Article 28.4 of this Law), the closest city to the administrative territorial unit where that court is located and or conducted by a mediation organization located in one of the regions. In this case, if the parties do not agree on a mediator, the mediator is appointed by the mediation organization.

28.4. If there is no mediation organization located in the same city or district as the court, or if it is not possible to consider the case in that mediation organization, upon the request of any of the parties, the *Mediation Council* can determine a mediator to conduct the initial mediation session. [7]

Article 29. Initial and subsequent mediation sessions on *commercial disputes* , as well as *disputes arising from family and labor relations*

29.1. The mediator explains the essence, advantages and rules of the mediation process to the parties applying to participate in the initial mediation session, and holds joint and separate meetings with the parties. On that day or on another day appointed by the mediator upon the request of the parties, the parties shall decide whether they wish to participate in further mediation sessions.

29.2. The parties or one of them shall notify them of the preliminary mediation session, which includes the information provided for in Article 22 (except for Article 22.1.1) of the mediator (mediation organization) or the other party of this Law, as well as the date, time and place of the preliminary mediation session. if the parties or one of them does not participate in the initial mediation session after submitting the notice or refuses to participate in writing, the mediator shall provide those persons with a reference to "Non-participation in the initial mediation session" indicating the parties who did and did not participate in the session. Unless otherwise agreed between the parties, the notice mentioned in the first sentence of this article must be provided to the parties at least 5 days before the date of the initial mediation session.

29.3. If one or both of the parties do not agree to continue the mediation process, as well as if the mediator refuses to carry out the mediation process in accordance with Articles 3.3 and 26.4 of this Law, the mediator terminates the mediation process and states "Unable to continue the process after the initial mediation session". submits the reference to the parties.

~~29.4. Failure of a party to participate in the initial mediation session without an excuse leads to liability provided by law.~~

29.5. When the parties decide to continue the mediation process, an "agreement on the application of the mediation process" is concluded between the parties, and the mediation process is carried out in accordance with Article 24 of this Law.

29.6. If the parties do not conclude a settlement agreement at the end of the mediation process, as well as if the mediator refuses to implement the mediation process according to Articles 3.3 and 26.4 of this Law, the mediator terminates the mediation process and submits the corresponding protocol to the parties.

29.7. After obtaining the reference or protocol specified in Articles 29.2, 29.3 and 29.6 of this Law, the party may apply to the court or arbitration (jury court). An appropriate certificate or protocol must be attached to the application.

Article 30. Features of mediation on disputes arising from administrative law relations

In accordance with the Law of the Republic of Azerbaijan "On Administrative Proceedings", disputes arising from the adoption, execution or cancellation of administrative acts by administrative bodies, or other actions or inaction of the administrative body (disputes provided for in Article 4.3 of that Law (including In accordance with the Law of the Republic of Azerbaijan "On Territorial Structure and Administrative Territorial Division", disputes regarding territorial issues between administrative territorial units can be resolved through mediation in accordance with this Law.

Article 31. Court mediation

31.1. At any stage of the court process, the court may, taking into account the circumstances of the case, on its own initiative or at the request of one of the parties, offer them to settle the dispute through mediation. If an "agreement on the application of the mediation process" is concluded between the parties, the court proceedings are suspended until the protocol on the settlement agreement and the results of the mediation process is submitted. [8]

31.2. The parties can agree on a mediation organization or a mediator that will consider the dispute based on mutual agreement. If there is no such agreement, the dispute is considered in the mediation organization located in the same city or district as that court, and if there is no mediation organization in that city or district (taking into account the third sentence of this article) located in one of the cities or districts closest to the administrative territorial unit where that court is located. If there is no mediation organization located in the same city or district as the court, or if it is not possible to consider the case in that mediation organization, upon the request of any of the parties, the court to which the dispute belongs may determine a mediator to conduct mediation.

31.3. If the parties who participated in the mediation process, but did not get a positive result, or one of them applies to the court next time by submitting the report on the results of the mediation process, the suspended proceedings are renewed and the case is considered by the court.

31.4. When the dispute between the parties is resolved through mediation, the settlement agreement is submitted to the court. When the court approves the submitted settlement agreement, the proceedings in that case are terminated.

31.5. During the assessment of the judge's performance, the number of cases referred to mediation (except for the cases provided for in Article 28.1 of this Law) ~~and the number of court cases terminated on the basis of reaching a settlement agreement in accordance with this Law~~ are taken into account. [9]

Article 32. Termination of the mediation process

32.1. The mediation process is terminated in the following cases:

32.1.1. when a settlement agreement is concluded between the parties;

32.1.2. when the impossibility of resolving the dispute by mutual agreement of the parties is determined by the mediator;

32.1.3. when the parties or one of them refuses the mediation process;

32.1.4. if the parties have not applied for the extension of the mediation process, when the mediation process expires in accordance with Article 24.7 of this Law;

32.1.5. when a natural person who is a party dies, a legal entity is dissolved or its activity is suspended;

32.1.6. when one of the parties is declared dead or missing by the court;

32.1.7. when one of the parties is incapacitated or has limited incapacity determined by the court;

32.1.8. when the mediator or mediation organization is removed from the membership of the Mediation Council, as well as when the mediator or mediation organization refuses the mediation process (in the case of disputes provided for in Article 28.1 of this Law, when they refuse only at the next mediation session);

32.1.9. when the reference specified in Articles 21.8, 29.2 and 29.3 of this Law is drawn up.

32.2. A protocol on the termination of the mediation process is drawn up and signed by the mediator within 3 days from the date on which the circumstances provided for in Articles 32.1.2–32.1.8 of this Law become known to the mediator. The protocol on the termination of the mediation process must be drawn up by the mediator and submitted to the parties (representatives) within 1 day

from the date of its signing. It is not allowed to include confidential information about mediation in the protocol. The form of the protocol is determined by the Mediation Council.

32.3. Copies of the protocol are drawn up according to the number of parties and bodies (institutions) to be presented. One of the parties shall submit a copy of the protocol to the relevant body (institution) within 1 working day from the date of submission of that copy to the relevant body (institution).

32.4. The mediation process is terminated on the following day:

32.4.1. from the day of the signing of the settlement agreement;

32.4.2. from the date of presentation to the parties of the reference provided for in Article 32.1.9, the protocol provided for in Articles 29.6 or 32.2 of this Law.

32.5. The mediation process may be resumed in accordance with Article 21 of this Law.

Article 33. Settlement agreement

33.1. The settlement agreement is concluded between the parties in written form. The settlement agreement contains the following information:

33.1.1. the date and location of the contract;

33.1.2. information about the parties;

33.1.3. the subject of the dispute;

33.1.4. information about the mediator (mediators) and the mediation organization if the mediation process is carried out through a mediation organization;

33.1.5. conditions accepted by the parties in the direction of dispute settlement, methods and terms of fulfilling those conditions;

33.1.6. the consequences of non-implementation or improper implementation of the terms of the settlement agreement;

33.1.7. Other conditions in accordance with the Civil Code of the Republic of Azerbaijan, this Law and other normative legal acts.

33.2. The settlement agreement is signed by the parties and the mediator. Copies of the settlement agreement are drawn up according to the number of parties and bodies (institutions) to be presented.

33.3. The reconciliation agreement must not contradict *the law* and the provisions of the first sentence of Article 3.3 of this Law. [\[10\]](#)

33.4. The settlement agreement must be submitted to the parties on the day it is signed. One of the parties shall submit a copy of the reconciliation agreement to the relevant body (institution) within 1 working day from the date of submission of that copy to the relevant body (institution).

Article 34. Execution of settlement agreement

34.1. The settlement agreement is binding for the parties from the day of its signing, unless otherwise stipulated in the agreement. If a separate period is not defined between the parties in the settlement agreement, the settlement agreement must be executed voluntarily within 10 days from the day of signing.

34.2. Refusal to voluntarily execute the settlement agreement leads to the responsibility specified in the settlement agreement in accordance with the Civil Code of the Republic of Azerbaijan.

34.3. If the voluntary execution of the settlement agreement is refused, the party (including the party in the cases under judicial review) may apply to the court ~~or notary public for the compulsory execution of the settlement agreement.~~ [\[11\]](#)

34.4. The settlement agreement is duly approved by a court ~~or a notary~~ for mandatory execution (taking into account the requirements of Article 34.5 of this Law).

34.5. If the reconciliation agreement contradicts Article 33.3 of this Law, its approval is refused.

Article 35. Suspension of the flow of claim periods

35.1. The application of the mediation process causes the termination of the statute of limitations for the dispute between the parties.

35.2. If a settlement agreement is not signed between the parties as a result of the mediation process, the duration of the claim period for the dispute is considered to be restored from the date provided for in Article 32.4.2 of this Law.

Article 36. Mediation costs

36.1. Mediation costs include:

36.1.1. the fee paid to the mediator or the mediation organization, including the reward paid to the mediator or the mediation organization when the dispute is resolved positively through mediation;

36.1.2. expenses incurred by the mediator or the mediation organization in connection with the mediation, including travel, accommodation and food expenses to the place where the dispute is being heard.

36.2. The amount of the fee and other costs for the provision of mediation services during the initial mediation session provided for in Article 28 of this Law shall be determined by the body (institution) determined by the relevant executive authority.

36.3. A mediator or a mediation organization conducts mediation on a paid basis. A mediator or a mediation organization may, at its discretion, conduct mediation on a free basis.

36.4. The amount of the fee paid to the mediator or mediation organization until the start of the mediation session (and in the cases provided for in Articles 28 and 29 of this Law, until the start of the next mediation session, taking into account Article 29.5 of this Law) between the parties and the mediator or mediation organization in accordance with this Law It is defined in the contract concluded in accordance with Article 23.4.

36.5. Unless otherwise stipulated in the "agreement on the application of the mediation process" and in the reservation on mediation, as well as in cases where the other party pays all the mediation costs if the party does not participate in the initial mediation session without an excuse, the costs of the mediation are shared equally between the parties. The party that does not participate in the mediation, as well as in the initial mediation session, contrary to the terms of the mediation stipulation or the "agreement on the application of the mediation process", shall pay all the mediation costs incurred by the other party in connection with the mediation.

36.6. If the mediator refuses to conduct the mediation due to circumstances impeding his impartiality, he must refund the amount paid by the parties (minus actual expenses incurred).

36.7. Mediation costs of any party that does not have sufficient funds to cover the costs of mediation shall be paid from the state budget funds. The procedure for payment of mediation costs at the expense of the state budget is determined by the body (institution) determined by the relevant executive authority.

36.8. After the settlement agreement is signed, the mediator reports the costs incurred to the parties and returns the unspent balance to them.

Chapter 5. Final conclusions

Article 37. Liability for violation of this Law

The mediator, mediation organization, parties and other persons participating in the mediation are responsible for the violation of the requirements of this Law in the cases provided for in the Civil, Administrative Offenses and Criminal Codes of the Republic of Azerbaijan.

Article 38. Transitional provision

A mediator meeting the requirements of Articles 10.1.1-10.1.3 and 10.2 of this Law, as well as meeting the requirements of Articles 11.2 and 11.3.1-11.3.3 of this Law, until the first mediation training institution is admitted to the membership of the Mediation Council the mediation organization may provide mediation services in accordance with this Law.

Article 39. Entry into force of this Law

Articles 3.2, 28 and 29 of this Law and the provisions related to those articles shall enter into force *on July 1, 2021*. [12]

Ilham Aliyev,

President of the Republic of Azerbaijan

Baku city, March 29, 2019

№ 1555-VQ

LIST OF SOURCE DOCUMENTS USED

1. Law of the Republic of Azerbaijan [No. 133-VIQD dated June 19, 2020](#) ("Azerbaijan" newspaper, June 30, 2020, No. 123, Legislative Collection of the Republic of Azerbaijan, 2020, No. 6, Article 683)
2. Law of the Republic of Azerbaijan [No. 150-VIQD dated June 29, 2020](#) ("Azerbaijan" newspaper, July 12, 2020, No. 134 , Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 856)
3. Law of the Republic of Azerbaijan [No. 227-VIQD dated December 18, 2020](#) ("Azerbaijan" newspaper, December 30, 2020, No. 276 , Legislative Collection of the Republic of Azerbaijan, 2020, No. 12, Book I, Article 1442)
4. Law of the Republic of Azerbaijan [No. 361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153 , Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712)

LIST OF AMENDMENTS AND AMENDMENTS TO THE ACT

[1]_Withthe Law of the Republic of Azerbaijan[150-VIQDdatedJune 29, 2020](#)("Azerbaijan" newspaper, July 12, 2020, No. 134, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 856)In Article 3.1.1, in the title of Article 25 and in Article 25.1, the words "**economic disputes**"have been replaced by the words **commercial disputes**

[2]_Withthe Law of the Republic of Azerbaijan[150-VIQDdatedJune 29, 2020](#)("Azerbaijan" newspaper, July 12, 2020, No. 134, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 856)In Article 3.2, in the title of Article 28, in Article 28.1 and in the title of Article 29, the words "**Economic Disputes**"have been replaced by the words **Commercial Disputes**

[3]_Withthe Law of the Republic of Azerbaijan[361-VIQDdatedJuly 9, 2021](#)("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712)In Article 11.1, the words "**is a legal entity**"have been replaced by the words **is a non-commercial legal entity**

[4] With the Law of the Republic of Azerbaijan [150-VIQD dated June 29, 2020](#) ("Azerbaijan" newspaper, July 12, 2020, No. 134, Legislative Collection of the Republic of Azerbaijan, 2020, No. 7, Article 856) In Article 21.4, the words "administrative and economic" were replaced by the words **commercial and administrative**

[5] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) Articles 21.10 and 29.4 are repealed.

[6] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) In Article 26.5, the word "Parties" is replaced by the word **Mediator** the word "debtors" **debtor**

[7] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) In Article 28.4, the words "the court to which the dispute belongs" have been replaced by the words "**Mediation Council**

[8] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) Articles 31.1 and 31.4 have been revised.

the previous editorial said:

~~31.1. At any stage of the court proceedings, the court may, taking into account the circumstances of the case, on its own initiative and with the consent of the parties, or at the request of one of the parties and with the consent of the other party, offer them to resolve the dispute through mediation. In such a case, the court proceedings are suspended until the settlement agreement and the protocol on the results of the mediation process are submitted.~~

~~31.4. When the dispute between the parties is resolved through mediation, the settlement agreement or the protocol drawn up by the mediator is submitted to the court. In this regard, the court terminates the proceedings in the case with their consent at the meeting held with the participation of the parties.~~

[9] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) From Article 31.5, the words "and the number of court cases terminated on the basis of reaching a settlement agreement in accordance with this Law" were removed.

[10] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) In Article 33.3, the words "to the applicable legislation" have been replaced by the word **to the law**

[11] With the Law of the Republic of Azerbaijan [361-VIQD dated July 9, 2021](#) ("Azerbaijan" newspaper, July 27, 2021, No. 153, Legislative Collection of the Republic of Azerbaijan, 2021, No. 7, Article 712) From Article 34.3, the words "or to a notary" and from Article 34.4, the words "or to a notary" have been removed.

[12] With the Law of the Republic of Azerbaijan [133-VIQD dated June 19, 2020](#) ("Azerbaijan" newspaper, June 30, 2020, No. 123, Legislative Collection of the Republic of Azerbaijan, 2020, No. 6, Article 683) In Article 39, the words "from July 1, 2020" were replaced by the words **from January 1, 2021**

With the Law of the Republic of Azerbaijan [No. 227-VIQD dated December 18, 2020](#) ("Azerbaijan" newspaper, December 30, 2020, No. 276, Legislative Collection of the Republic of Azerbaijan, 2020, No. 12, Book I, Article 1442) In Article 39, the words "from January 1" were replaced by the words "from July 1".