



STATE OIL FUND OF THE REPUBLIC OF AZERBAIJAN

Nº: DNF/111-1048

“11” December 2018

Dear sir/madam,

Re: Consultation on Beneficial Owner Definition for the Extractive Industries

According to the Decree of the president of the Republic of Azerbaijan signed on April 5, 2017 “On Additional measures to increase Accountability and Transparency in the Extractive industries” the Extractive Industries Transparency Commission (EITC) was established.

Following the establishment of Azerbaijan’s EITC, the Government of Azerbaijan has requested the Asian Development Bank (ADB) to support the implementation of the Roadmap for Beneficial Ownership Disclosure (RBOD). For this purpose, ADB engaged a consulting firm, BDO Azerbaijan LLC (BOD), to support the RBOD implementation with

State Oil Fund of the Republic of Azerbaijan (SOFAZ) as the Implementing Agency. The consultants have proposed a definition of beneficial ownership for Azerbaijan’s extractive industries. This proposed definition is comprehensively discussed in the Draft Beneficial Owner Definition report. This report, along with the report on International Good Practice for Beneficial Ownership Disclosure Systems, is accessible at <https://www.oilfund.az/en/fund/relations/ownership>.

To arrive at an agreed definition of beneficial ownership, EITC is now undertaking a consultation process to gather stakeholders’ views on the proposed beneficial ownership definition. The results of this consultation will form an important input in the decision-making process on the adoption of the definition. For this purpose, SOFAZ has requested BDO to manage the consultation process on EITC’s behalf.

We invite you to read the Consultation Document and complete the Survey (both are attached). The Consultation Document highlights the findings to date and the proposed beneficial ownership definition. We request that you send the completed Survey on or before 25 January 2019 to beneficial.ownership@bdo.az (copy to bbayramov@oilfund.az) We would appreciate if the person completing the Survey provides name, position and organisation. We regret that we cannot consider submissions where the submitter is not identified. Please be assured that the confidentiality of submissions will be respected. We look forward to receiving your submission on this important subject.

EITC will present the results of this consultation process at an event planned to take place in Baku on February 13, 2019. Details on registration for this event will be sent to you in due course. The event will also be an opportunity to ask questions and participate in discussions on the definition.

Yours sincerely,

Shahmar Movsumov
Chair
Extractive Industries Transparency Commission

A handwritten signature in blue ink, appearing to read 'Shahmar Movsumov', written over a horizontal line.