



Legal News

Preparing for changing landscape

Decree of the President of Azerbaijan “On Licensing Procedure”

According to the Decree of the President of Azerbaijan “On Licensing Procedure” dated 21 December 2015 (the “Decree”) the list of licenses and respective state duties were revised. According to the Decree, licenses will be issued for an indefinite period.

The Ministry of Economy and Industry of Azerbaijan (the “Ministry”) will be responsible for issuance of licenses for all types of activities, excluding those related to the state security.

The following lists are approved by the Decree which constitute annexes thereof:

- i. The list of activities requiring licenses (except for those which, are related to the state security) and the amount of state duty for license for those types of activities;
- ii. The list of activities related to the state security requiring licenses and the amount of state duty for license for those types of activities;
- iii. The list of activities requiring licenses issued by executive authorities of Nakhichevan Autonomous Republic.

As per the Decree, the resolutions of the Ministry on licensing issues are mandatory for all the state authorities issuing licenses, as well as other central executive authorities, local authorities and local self-government bodies, legal entities and individuals.

Licenses issued by the relevant authorities of Nakhichevan Autonomous Republic are only valid on the territory of Nakhichevan Autonomous Republic.

Request for any additional document from the applicant not reflected in the Decree is forbidden.

In case any insufficiencies detected in the submitted application the authority issuing the licenses notifies the applicant on this within 5 working days upon submission of application. All insufficiencies should be eliminated by the applicant within 10 working days upon receipt of such notification. In such cases, the period for

processing of license applications is suspended. Once insufficiencies are eliminated the processing of applications resumes.

The state authority issuing licenses must resolve on issuance or refusal of requested licenses within 10 working days upon registration of the respective application.

Decree of the President of Azerbaijan “on Approval of Regulations on turnover of the goods subject to excise marking in the territory of Azerbaijan”

According to the Decree of the President of Azerbaijan “on Approval of Regulations on turnover of the goods subject to excise marking in the territory of the Republic of Azerbaijan” dated 07 December 2015 (the “Decree”) the goods subject to excise marking include

- i. Drinkable alcohol
- ii. All types of alcoholic beverages
- iii. Beer (excluding non-alcoholic beer) and other beverages containing beer
- iv. Tobacco products

As per the new rules, Release from the production building, import and sale of the goods subject to excise marking is allowed only:

- i. If production and sale of such goods is conducted by a taxpayer holding a respective license;
- ii. In case documents confirming the non-cash payment of the value of goods by a provider of such goods are available (except for the cases when such goods are provided by producers);
- iii. In case provision of such goods (excluding cases when such provision is carried out for personal consumption of individuals at retail trade and catering facilities) is documented with a strict reporting form (with electronic VAT invoice in case h provided by the producer).

It is not allowed to pay the value of goods subject to excise marking in cash (except for retail of tobacco products) at the time of sale and the purchase for selling purposes;

For the purposes of the Decree, Retail means the sale of goods only for personal, family, household and other purposes of this kind, which is not directly related to entrepreneurial activity.

Those who produce, import, sell and purchase the goods subject to excise marking (except for individuals purchasing for personal consumption) are required to provide the documents confirming the purchase of such goods to the representatives of the Ministry of Taxes upon their request.

Tax and Legal Department