



Azerbaijan Tax News

New changes in tax administration procedures

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On 16 June 2017, Ministry of Taxes of Azerbaijan held a presentation on upcoming changes in tax administration procedures.

According to the officials of the Ministry of Taxes, new changes to be made to the Rules on "Administration of international agreements for the avoidance of double taxation concluded between the Republic of Azerbaijan and other states" ("DTT administration rules") as a continuation of improving business environment. As per the expected changes to the DTT administration rules, non-residents will be able to submit DTA forms electronically (i.e. via online tax

cabinet) for all types of income independently or via tax agent. Previously, obtaining advance tax exemption or reducing tax rates was only possible for 4 types of income (i.e. interest, dividend, royalty and international transportation) and submission of necessary documentation was only in hard copies. The upcoming changes, will significantly ease the process of using tax exemptions and privileges stipulated under the DTTs.

Another significant change is expected to be in obtaining zero-rated VAT exemption certificate for foreign subcontractors operating under existing Production Sharing Agreements ("PSA"). According to the upcoming changes taxpayers operating under the PSA taxation regime, will be able to apply and obtain such certificates electronically (i.e. via online tax cabinet) without undertaking any tiresome paperwork.

It is expected that all instructions related to the above mentioned changes to the tax administration procedures will be send to the online tax accounts of the taxpayers soon.



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96 Nizami St.
Baku, AZ1010, Azerbaijan

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