



New Exemption of VAT and Customs Duty

In accordance with the Decrees # 124 and 125, dated 1 August 2011 of the Cabinet of Ministers, the new VAT and customs duties exemption have been granted for the importation of goods and equipment for the construction of industrial plants of strategic important producing means for waterborne-transport consistent to international standards.

The import of these items should be supported with the documents from the State Oil Company of Azerbaijan Republic (SOCAR). The exemption is effective from 31 August 2011 throughout 1 January 2014.

Amendments to the Criminal Code

Effective from 2 August 2011, the following amendments have been made to the Criminal Code:

- Azerbaijani citizens and permanent residents in Azerbaijan without citizenship may be held criminally liable for corruption crimes and crimes related to professional responsibilities committed outside the territory of Azerbaijan, if those criminals were not convicted in a foreign country;
- Foreigners and persons without citizenship who committed corruption or crimes related to professional responsibilities outside the territory of Azerbaijan, with participation of Azerbaijani citizens who are officials of international organizations, members of the parliament assembly, officials and judges of international courts, shall be held criminally liable in Azerbaijan, if they were not convicted in a foreign country;
- In addition to receiving or giving a bribe, accepting an offer or promise of receiving a bribe and offering or promising a bribe is considered a crime.

Azerbaijan and India negotiating a Tax Treaty

Since 12 August 2011, Azerbaijan and India have been in process of negotiation of a Double Tax Treaty. "PwC Azerbaijan Times" will keep you informed on the progress.

International Agreements, Protocols, Memorandums in August 2011

- Mutual Memorandum on creation of a working group on trade and investment between the Ministry of Economic Development of the Azerbaijan Republic and the Ministry of Federal Economy and Technology of the Federal Republic of Germany;
- Agreement on culture, education and science between the Republic of Azerbaijan and the Republic of Slovenia;
- Mutual Memorandum on cooperation in the field of civil security and assistance during emergency situations between the Ministry of Emergency Situation of Azerbaijan and the Civil Security Department of Italy;
- Protocol on cooperation in the field of culture between the Ministry of Culture and Tourism of Azerbaijan and the Ministry of Culture of China;
- Mutual Memorandum on cooperation in the field of Standardization, Meteorology and evaluation of compliance between the State Committee for Standardization, Metrology and Patent of the Republic of Azerbaijan and the Department of Technical Standardization, Metrology and State Experiments of Czech Republic;
- Agreement on technical cooperation between the Ministry of Taxes of Azerbaijan and State Tax Inspection at the Ministry of Finance of Lithuania.

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