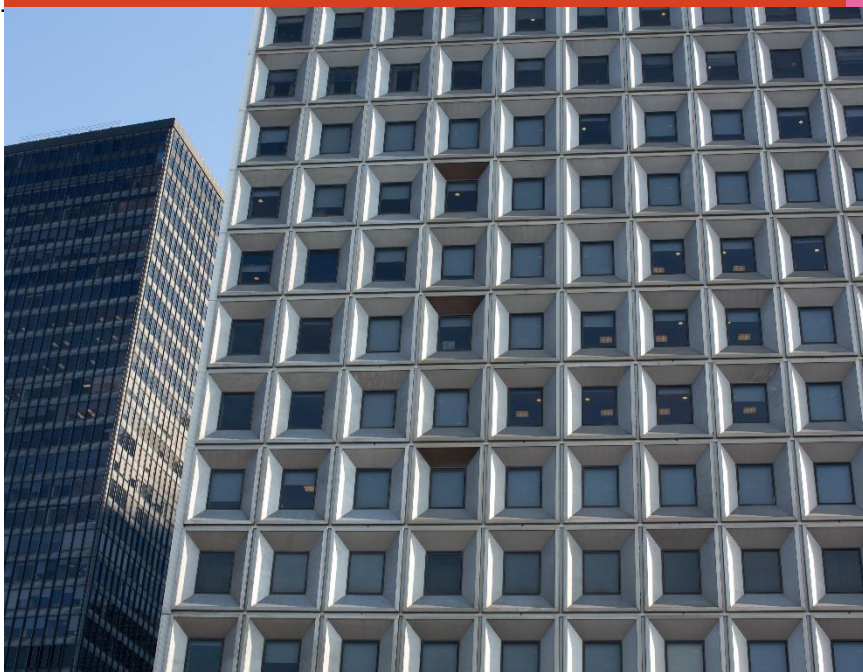


PwC Azerbaijan Times

Issue №10

Overview of this Issue:

- **Amendments to Migration Code**
- **Draft amendments to the Law on Banks**
- **Draft amendments to the Tax Code**
- **Draft amendments to the Law on Customs Tariff**
- **Draft amendments to the Law on Social Insurance**
- **Presidential Decree on measures for establishment of ASAN Utility Centre**



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Amendments to Migration Code

The draft amendment, presented to the Parliament, proposes inclusion of heads and deputy heads of legal entities, founded in Azerbaijan by a foreign legal entity or a foreign individual, as well as professionals of certain categories (to be defined by the relevant executive body) invited to work in the country by legal entities established in Azerbaijan or individuals - citizens of Azerbaijan, to the list of foreign persons exempted from applying for a work permit. Nevertheless, such exemption should not extend to requirement for obtaining a temporary residence permits.

Draft amendments to the Law on Banks

Our readers may recall this topic from our Issue No. 5. The draft amendment, presented to the Parliament, introduces more

explicit list of bank-related persons. Thus, the followings amendments are proposed to the list of cases, where bank-related persons may not get a loan from the same bank:

- If the loan amounts to five (5) or more percent of the related bank's assets, in absence of an independent auditor's opinion or a decision of the general meeting of voting shareholders; or
- If the loan amounts to up to five (5) percent of the related bank's assets, in absence of a decision of the bank's Supervisory Board (Board of Directors) (not applicable where loan granting decision is at sole discretion of the general meeting of shareholders).

Draft amendments to the Tax Code

All types of goods imported based on relevant supporting documents by the residents of the industrial

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parks engaged into entrepreneurial activities should be exempted from VAT for the period of five (5) years effective 1 May 2016. Moreover, zero (0) percent VAT shall be applicable to the contractors and sub-contractors providing goods and services to the residents of the industrial park for the same period with the same effective date.

Draft amendments to the Law on Customs Tariff

Import of all types of goods reasonable for carrying out of activities defined by the relevant executive authority in industrial parks should be exempted from customs duties for the period of five (5) years effective 1 May 2016.

Draft amendments to the Law on Social Insurance

Residents, their contractors or subcontractors carrying out their activities in industrial parks should be added exempted from compulsory social insurance for the period of five (5) years effective 1 May 2016.

Presidential Decree on measures for establishment of ASAN Utility Centre

For the purposes of optimizing and bringing transparency to public utility services, the Presidential Decree established ASAN Utility Center on the platform of ASAN Service. ASAN Utility Center will provide utility and other related customer services using modern information and communication technologies and will provide services performed by Azerishiq, Azersu and Azerigaz to legal entities and individuals.