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Issue №2

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For any questions related to the information included herein, please contact

Aysel Suleymanova

Marketing & Communications Manager

aysel.suleymanova@az.pwc.com

PwC Azerbaijan

The Landmark Office Plaza III | 12th Floor
90A Nizami Street
AZ1010 Baku | Azerbaijan

Tel: +994 12 497 2515

Fax: +994 12 497 7411

www.pwc.com/az

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Customs duties on gasoline

The Cabinet of Ministers made revisions to the customs duties on gasoline.

According to the decree of the Cabinet of Ministers, customs duty for the import of gasoline has been decreased from 15 percent to 0 percent per ton for the gasoline type with octane rating lower than 95. This amendment for the mentioned gasoline type is effective from the date of signing to 1 June 2014.

Also, customs duties for the gasoline types with octane rating 95 or more have been decreased from 15 percent to 0 percent per ton. The amendments for the gasoline types with octane rating 95 or more is effective from 1 February 2014.

Excise tax rates on gasoline

The Cabinet of Ministers made revisions to the excise tax rates on gasoline.

Excise duty rate for the import of gasoline has been decreased from USD 250 to USD 1 per ton for the gasoline type with octane rating lower than 95. The amendment for the said gasoline type is effective from the date of signing to 1 June 2014.

Excise duty rates for the gasoline types with octane rating between 95 and 98 are decreased from USD 250 to USD 100 per ton and from USD 250 to USD 150 per ton for the gasoline type with octane rating 98 or more. The amendments for these gasoline types are effective from 1 February 2014.

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Outward and Inward Processing Of Goods customs regimes

Outward Processing of Goods:

On 6 February 2014, the Cabinet of Ministers approved the rules on the Outward Processing of Goods which came into legal force on 11 February 2014.

Domestic goods placed under outward processing special customs regime are temporarily exported from the territory of Azerbaijan for the purpose of processing. The goods manufactured from the goods placed under outward processing special customs regime, when imported into Azerbaijan, are allowed to be declared under free circulation regime with full or partial exemption from import customs duties and taxes as long as certain conditions are met.

Goods may be subjected to the outward processing procedure upon permission issued by the customs office. The Customs office issues such permission if the below conditions are met:

The customs office is in the capacity to carry out the control over outward processing procedure;

The permission of the customs office would not have a negative impact on the essential interests of the producers.

Inward Processing of Goods:

On 14 January 2014, the Cabinet of Ministers approved the rules on the Inward Processing of goods which came into legal force on 26 January 2014.

The intention of placing foreign goods under the inward processing customs procedure is to import goods into Azerbaijan with full or practical exemption from customs duties and taxes with the purpose of export after the processing activities in Azerbaijan are complete.

The Rules clarify that certain type of activities (e.g., production of natural resources, hunting, cultivation of trees plants, etc.) cannot be considered as processing activities.

The customs office issues permission for placing goods under inward processing regime if the same aforementioned conditions for outward processing regime are met.

Domestic and International Transit customs regime

On 14 January 2014, the Cabinet of Ministers approved the rules on Domestic and International Customs Transit which came into legal force on 26 January 2014.

Thereby, the rules on carriage of goods by placing them under international and domestic transit customs procedures have been established.

International Customs Transit Procedure is carriage of foreign goods from one destination to another under customs control without application of customs duties, VAT and excise taxes, and trade policy actions.

Domestic Transit Special Customs regime entails carriage of domestic goods, declared for the purpose of export from the customs territory, from one customs point to another without changing the status of the goods.