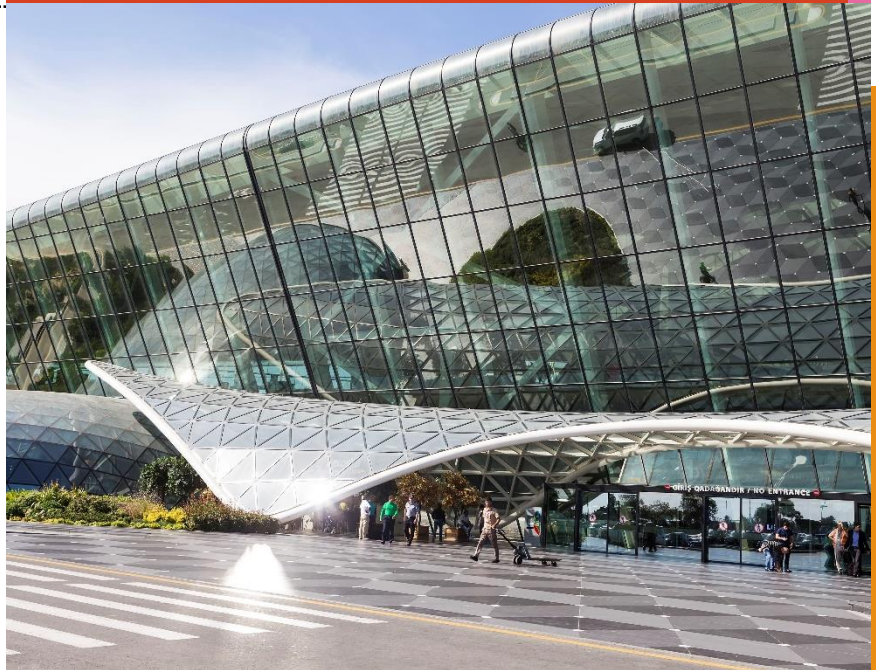


### Overview of this Issue:

- **Law on settlement of the tax debts**
- **Amendments to the customs duties' degree on export-import operations**
- **New rules for foreign exchange auction**
- **Amendments to the Law on Budget system**
- **Amendment to the Rules on registration procedure of grant contracts**



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#### **Law on settlement of the tax debts**

According to the Law, the following tax debts, valid as on 1 January 2017, are completely written off:

- interest amounts for failure to pay taxes in due time;
- financial sanctions imposed for violation of the rules of the cash settlements (without using cash register and receipts).

The Law discharges the tax debts, valid as on 1 January 2017, arising out of financial sanctions imposed during tax control and tax audits gradually. Thus:

- if 30% of the debt is paid in January 2017, 70% of the debt is written off;
- if 50% of the debt is paid during January-February 2017, 50% of the debt is written off;
- if 70% of the debt is paid during January-March 2017, 30% of the debt is written off.

The Law is also applicable to the said tax debts held to be payable by a court ruling, but not paid as of 1 January 2017.

#### **Amendments to the customs duties' degree on export-import operations**

The customs duties for refined copper blanks used for wire production, refined copper blanks used for rolling, other refined copper, copper based ligatures, refined copper rods and profiles, rods and profiles from other copper alloys export goods have been established at the level of 10(ten) percent, not being less than USD 300 per 1000 kg. The duties will come into force on 9 February 2017 and will remain effective for the period of 5(five) years.

#### **New rules for foreign exchange auction**

Azerbaijan cancelled the 4(four) percent margin for setting exchange rates for commercial banks. According to the new rules dollar will be sold to commercial banks in the organised market on a "best offer" basis. Auctions will be held on Mondays, Wednesdays and Fridays.

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# *PwC Azerbaijan Times*

## Issue №2

### ***Amendments to the Law on Budget system***

The Chamber of Accounts has been assigned responsible for the review of draft state budget for next year, fiscal policy, budget classification of revenues and expenses, the upper limit of the level of public debt, priority expenditures, the consolidated budget for the next year and forecast for the next three years, the projects of legislative acts necessary for the preparation and execution of the state budget.

### ***Amendment to the Rules on registration procedure of grant contracts***

According to the amendment, grant contracts should be submitted to the Ministry of Justice within 30 days from the signing date. Then information related to donor should be submitted within 7 (seven) days. If the subject of a grant contract is provision of services and implementation of work, such contract can be registered as a service contract.