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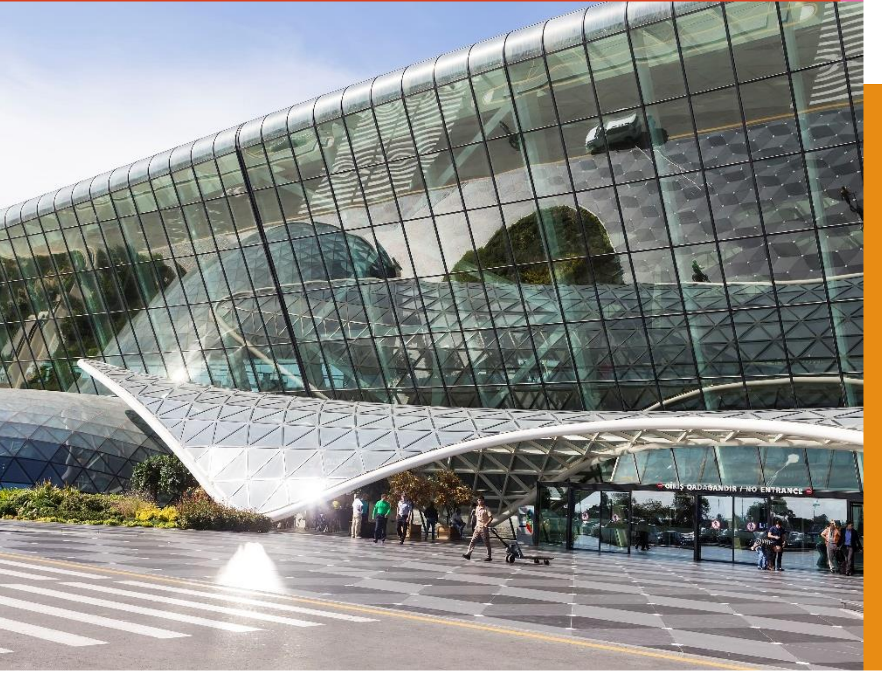
Overview of this Issue:

- **Rules of "Electronic delivery note application, registration and use" is approved**



Rules of "Electronic delivery note application, registration and use" is approved

On 14 March 2017, Cabinet of Ministers approved the Rules of application of e-delivery note, its registry and use.

According to the Rules, e-delivery note is an electronic document, issued by a person supplying goods, rendering services or performing works to sole traders and legal entities at the time of delivery of goods (services, works).

A taxpayer prepares, confirms and issues e-delivery note via accessing to the Internet Tax Department with enhanced electronic signature.

If VAT taxpayers do not amend transaction within 5 days from the date of issuance of e-delivery note, based on the provided e-delivery note an electronic VAT invoice will automatically be prepared and submitted by the software on behalf of these taxpayers.

VAT registered persons and persons engaged in trade and (or) catering whose taxable supplies exceeds AZN 200,000 in any 12 consecutive months should issue e-delivery notes to the buyer of goods (services, work) as of 1 April 2017, while all other taxpayers as of 1 January 2018.

We would also like to note that according to the recent amendments to the Tax Code, if during the filed tax audit it is revealed that either delivery note or e-delivery note or e-VAT invoice evidencing the purchase of goods in the taxpayer's possession does not exist, the purchaser will be subjected to the following financial sanctions:

- *10% of goods purchased*: one violation in a calendar year;
- *20% of goods purchased*: two violations in a calendar year;
- *40% of goods purchased:* there and more times in a calendar year.

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

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