

PwC Azerbaijan Times

Issue №21

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Amendments to the Law on Telecommunication

The amendments set new requirement on distribution of advertisement to subscribers. This new changes will also cover distribution of advertisement via SMS to cell phone owners. From now on operators and providers will be able to distribute ads only after written agreement between them and subscriber. Subscribers' consent to receive advertisements is required. Subscribers must be provided with the options to reject distribution of advertisements or receive specific advertisement.

Also, according to the amendments, advertisement of alcoholic drinks consisting of more than 5 percent alcohol cannot be placed on telecommunication facilities and installations.

Amendments to the Charter of Financial Market Supervisory Authority

According to the amendments, the FIMSA's Board of Directors authorities will include the following:

- Appointment of an external auditor and accepting audit report,

- Confirmation of financial planning and the FIMSA's budget,

- Determining the amount of fees and procedure of payment of these fees to entities controlled by the FIMSA;

- Making relevant decisions on licenses and permits.

The amendments set that the Chairman of the Board, in case of Chairman's absence the Deputy Chairman, is authorized to sign the decrees, normative acts or other acts within the frame of his/her authority. Prior the amendments, the Management Boards had a right to sign on current activity of the FIMSA, yet, now this right of the Management Board has been cancelled.

Amendments to the Migration Code

According to the amendments, notification regarding application for accelerated e-visa shall be sent to the applicant's email maximum in 3 hours after filling application to the e-system.

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Also, amendments set that foreigners and stateless persons (except whose temporary staying period in the Republic of Azerbaijan has been extended or who obtained a permit for temporary residence) will have to leave the territory of Azerbaijan based on e-visa they presented when entering the country.

Amendments to the Law on Copyright and Related rights

The amendments set that advertisement is an object of copyright while creator and producer of an advertisement are subjects of related rights

Amendments to the Law on Tourism and to the Labour Code

According to the amendments, payments to the travel agents and all payments paid to an employee shall be made in the form of non-cash settlements.

Overview of new rules on Double Tax Treaties Administration

The Ministry of Taxes issued new Rules on Administration of Double Tax Treaties (the “Rules”). By repealing the old rules, the new Rules are effective as of July 1, 2017.

Below, we summarize major points:

- Advance tax relief may be obtained for all type of income, including business (active income) if such income is not attributable to a PE in Azerbaijan. Previously, such relief might only be obtained for dividend, royalty, interest and income from international shipments.
- Applications may also be filled electronically along with a hard copy submission. Previously only hard copy submission was possible.
- No requirement to get respective DTA application approved by the overseas tax authorities. Only a tax residency certificate is required to be approved by the foreign tax authorities;
- Tax office may also return the approved applications to the income payer (tax agents) in online regime.