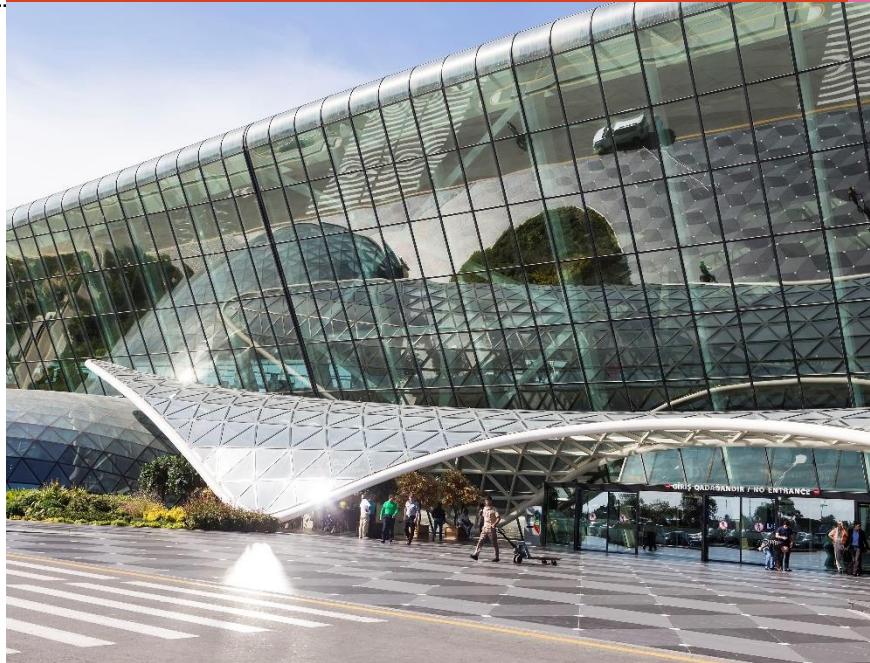


# PwC Azerbaijan Times

## Issue №27

### Overview of this Issue:

- **The Law of the Republic of Azerbaijan On amendments to the Law “On State Registration and State Register of Legal Entities”**
- **Decree of the President of the Republic of Azerbaijan on amendments to the “National Action Plan for 2016-2018 on Promotion of Open Government”**
- **Court practice on tax disputes**



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### ***The Law of the Republic of Azerbaijan On amendments to the Law “On State Registration and State Register of Legal Entities”***

According to the amendments, e-registration of legal entities with foreign investments will be possible. Thus, the foreign citizen or a person without citizenship should fill in the e-application form on the website of the relevant authority and approve with strengthened e-signature for electronic state registration of limited liability company with foreign investment. In the process of electronic state registration, the founder (founders) shall provide information on the area of his activity, acquaint himself with the charter prepared by software in line with the input data in real-time mode and approve it with strengthened e-signature.

### ***Decree of the President of the Republic of Azerbaijan on amendments to the “National Action Plan for 2016-2018 on Promotion of Open Government”***

This decree added a new part to the “National Action Plan”. In accordance with the international principles for

increasing transparency in the extractive industry, it was determined to take measures to ensure transparency in the mentioned industry and to continue cooperation with NGOs, private sector representatives and independent experts.

### ***Court practice on tax disputes***

#### ***1. Individual entrepreneur vs. tax authority***

***Amount of claim:*** approx. AZN 245k

***Court instance:*** The Supreme Court

***Date of decision:*** January, 2017

***Subject:*** Profit tax

***Issue:*** Individual entrepreneur sells his real estate. The tax authority, in the case of taxpayer's condition, claims that this activity is subject to taxation and calculates its tax.

***Court decision:*** The Supreme Court supported entrepreneur's position. The Court declared that in such cases the courts should determine whether the sold real estate was sold for entrepreneurial purposes or not.

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According to the tax legislation, the calculated tax amounts vary depending on the fact whether the real estate was sold for entrepreneurial purposes or not.