

PwC Azerbaijan Times

Issue №28

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- **Draft Law On amendments to the Migration Code**
- **Order of the Cabinet of Ministers on amendments to the List of e-services**
- **Court practice on tax disputes**



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Draft Law On amendments to the Migration Code

If the law is passed, foreigners and non-citizens will not submit the following documents for obtainment (or prolongation) of residence permit in the Republic of Azerbaijan:

- Family reference letter;
- Notarised copy of certification on marriage;
- Notarised copy of documents proving the profession of those persons provided that they have profession.

In addition, copy of the document entitling residence permit to foreigners or non-citizens who are in Azerbaijan on other purposes, will not be demanded anymore for obtainment of work permit.

Order of the Cabinet of Ministers on amendments to the List of e-services

With the order, the following e-services will be provided under the Ministry of Justice:

- Payments through the internet for notary acts, issuance of apostille and state registration of civil status acts;
- Payment of court fees;
- Submission and receipt of statement of claims and other documents, certified by e-signature, on commercial disputes;
- Providing parties of commercial disputes with the information on court proceedings;
- Submission and receipt of applications and other documents, certified by e-signature, on the 'order proceeding'.

Court practice on tax disputes

1. Bank vs. tax authority

Amount of claim: approx. AZN 121k

Court instance: The Supreme Court

Date of decision: 19 January 2017

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Subject: Market price

Issue: ‘Bank A’ has granted a bank loan to ‘Bank B’ in a lower interest than the interbank loan interest rate assigned by Central Bank. Tax authority has imposed a tax on ‘Bank A’ by applying market price over this transaction.

Court decision: The court, by supporting the position of ‘Bank A’, laid out: Financial services differentiate from other services which are subject to market price.

According to the tax legislation, if there is 30 % (more and less) discrepancy among prices applied by a taxpayer over the identical services during 30 days, tax amount could be imposed by considering market price. However, ‘Bank A’ at this circumstance has not granted a loan to any other banks except ‘Bank B’ in 30 days.