

SPECIAL EDITION SIGNIFICANT LEGISLATIVE CHANGES

17 February 2016



1. Amendments to the Tax Code of the Republic of Azerbaijan

- **Exemptions and privileges related to personal income tax:** 50% of the income made by individual entrepreneurs who have obtained investment promotion certificates shall be exempt from income tax for 7 years from the date on which the certificates were obtained.
- **Exemption from profit tax:** 50% of the profit of entities that have obtained investment promotion certificates shall be exempt from income tax for 7 years from the date on which the certificate was obtained.
- **Exemptions from VAT:** Any entity or individual entrepreneur which has obtained an investment promotion certificate shall be exempt from VAT for a period of 7 years from the date on which the certificate was obtained upon import of equipment, technological equipment and devices which have the agreement of the relevant executive authority.
- **Exemption from property tax:** Any entity or individual entrepreneur that has obtained an investment promotion certificate shall be exempt from property tax for a period of 7 years from the date on which the certificate was obtained.
- **Exemptions from land tax:** Any entity or individual entrepreneur which has obtained an investment promotion certificate shall be exempt from property tax for a period of 7 years from the date on which the certificate was obtained.

2. Amendments to the Law of the Republic of Azerbaijan "On the Customs Tariff"

- In accordance with amendments to the Law of the Republic of Azerbaijan "On the Customs Tariff", the following customs tariff concessions are to be applied on:

- ✓ Technology and technological equipment imported by entities and individual entrepreneurs engaged in investment activity, as well as by resident entities and individual entrepreneurs in industrial or technology parks for the purpose of constructing production areas within the industrial or technology parks, and for conducting scientific research and development work in accordance with authorising and confirming documentation, are to be exempt for a period of 7 years;
- ✓ The import of technology, technological equipment and devices by the managing organisation / operating body of the industrial or technology park.

3. Amendments to Labor Code of the Republic of Azerbaijan (“Labour Code”)

- In accordance with amendments to Article 96 of the Labour Code of the Republic of Azerbaijan issued by Presidential decree on 15 February 2016, the production calendar for normal working hours and standard working time for the next year shall be formed by the Ministry of Labour and Social Protection for the Population of the Republic of Azerbaijan.

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