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# GRATA Azerbaijan participated in Tax and Customs Committee Members Meeting

Representative of GRATA Azerbaijan participated in the meeting of Tax and Customs Committee of AMCHAM on 15th of November.

Please be advised that during the last meeting of the Committee, the working group consisting of members from diverse industries has been established to draft the Position Paper. After initial discussion, the following areas were identified to be reflected in the document:

## 1.1. Customs administration:

- a) Issues related to short customs declarations.
- b) Clarity and transparency of customs reference prices for goods.

## 1.2. Tax administration:

- a) Disruptive practise of tax administration, which is not legislatively defined or differently interpreted – “risky taxpayers” related issues; broad definition of Azerbaijan source of income for withholding tax purposes; lack of partnership attitude of the tax authorities.
- b) VAT related issues – VAT payment date to the deposit account (even earlier payment is subject to penalty); recovery of VAT on advance payments under turn-key agreements (companies suffer huge burden); possibility of transferring funds accumulated in the deposit account to the tax payers’ bank accounts.
- c) Introduction of losses carry back and longer term (at least, 10 years) for loss brought forward.
- d) Different PIT, SIC and Mandatory Medical Insurance rates for private and non-oil and gas industry.
- e) Effective date of the proposed amendments; referred rules are not introduced on a timely manner.

GRATA Azerbaijan was represented by Sabina Gasimova (BDM).

## Өңірлер

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