



Ministry of Taxes of the Republic of Azerbaijan

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- Population - 8.2 million
- Area - 86.600 sq km
- Gross Domestic Product - 59.5 trillion manats (\$12,9 billion)
- Budget 2005:
 - a) revenue - 10.2 trillion manats (\$2,3 billion)
 - б) expenditure - 11,0 trillion manats (\$2,4 billion)
 - в) deficit - 0,8 trillion manats (\$0,2 billion)



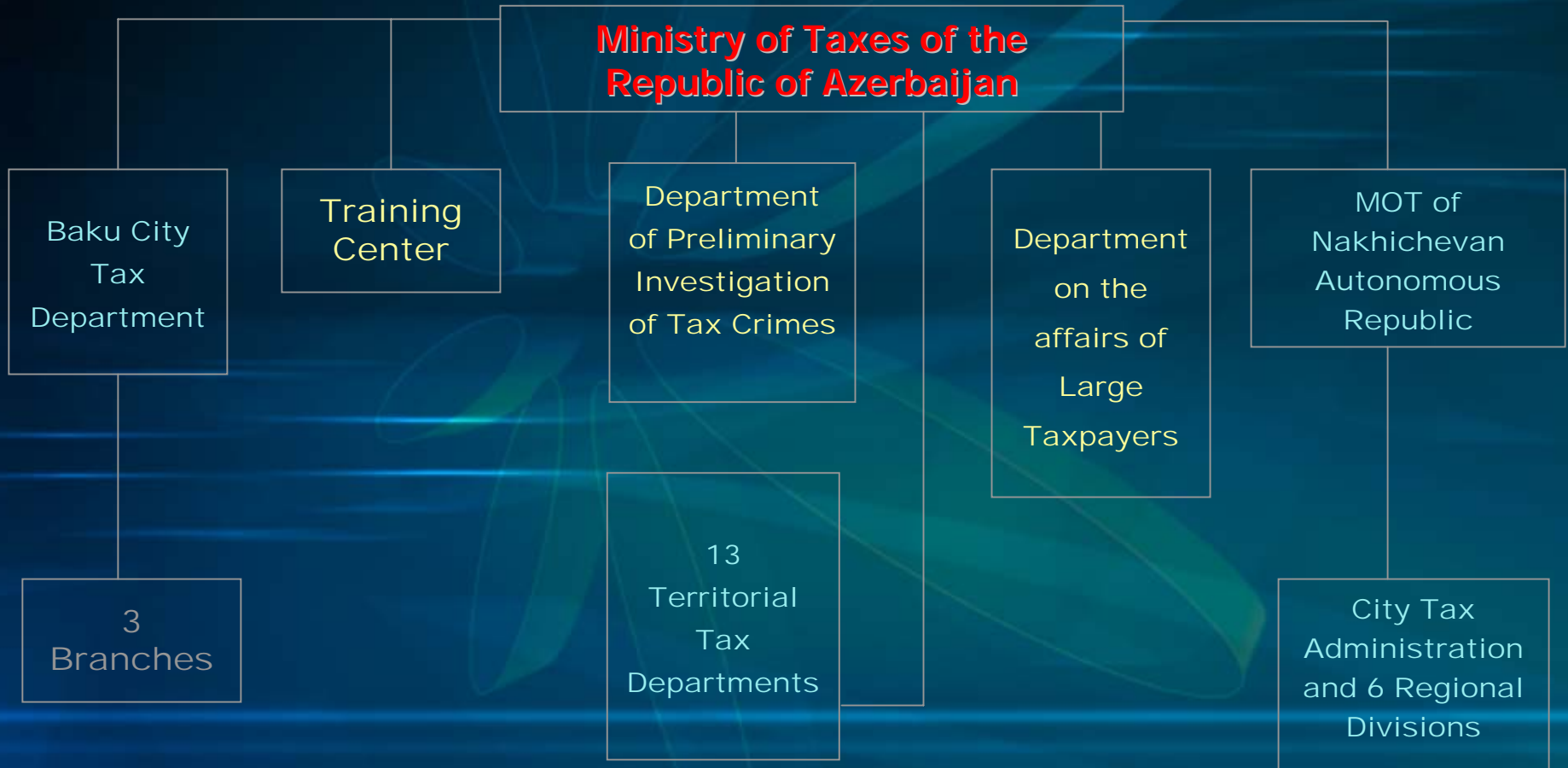


History

- 1990- establishment of Tax Service under the Ministry of Finance
- 1991- transformation of the Tax Service to an independent General State Tax Inspectorate
- 2000- establishment of the Ministry of Taxes on the basis of General State Tax Inspectorate



Organizational Structure of the Ministry of Taxes





Taxes in the Republic of Azerbaijan

	Taxes	Tax Rates		Weighted by total tax receipts	
		2005	2006	2003	2004
1	VAT	Exemption, 0%, 18%		32,30%	28,00%
2	Profit Tax of legal entities	24%	22%	21,70%	22,20%
3	Income Tax of physical persons	Untaxed minimum, 14%, 35%		18,30%	22,00%
4	Simplified Tax	2%, 4%		1,50%	1,60%
5	Excise Taxes			7,10%	6,10%
6	Property Tax			3,20%	3,20%
7	Tax on Land			1,40%	1,40%
8	Mining Tax (Royalty)			6,90%	9,70%
9	<i>Other receipts</i>			7,60%	5,80%



Taxpayer Services Department of the Ministry of Taxes

Was established on December 18, 2002

**Assisting taxpayers in obtaining
Any information
Any time
Any where**



Main functions of the Department

- To give information about all aspects of taxation to taxpayers
- To organize meetings with taxpayers in order to inform them
- To provide answers to written and oral enquiries of taxpayers
- To propagate the concept of taxation by all possible means, including mass media and etc.

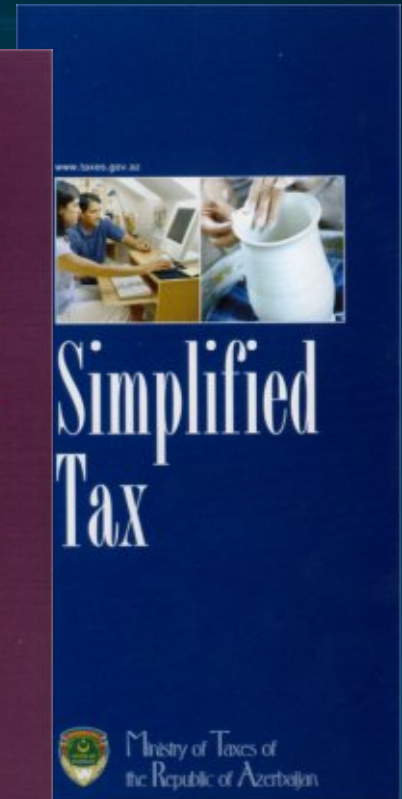
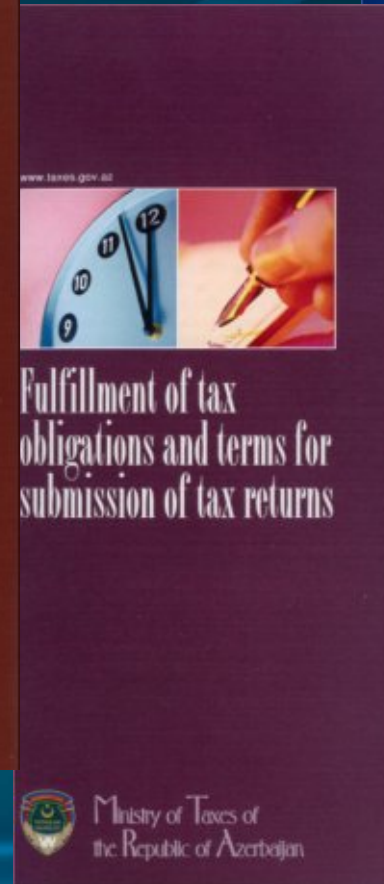
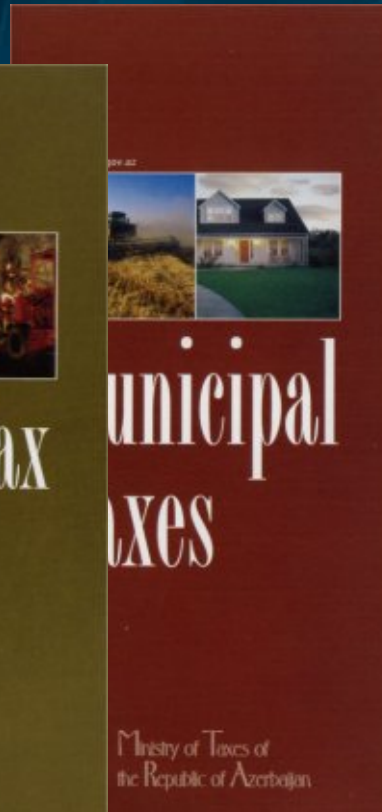
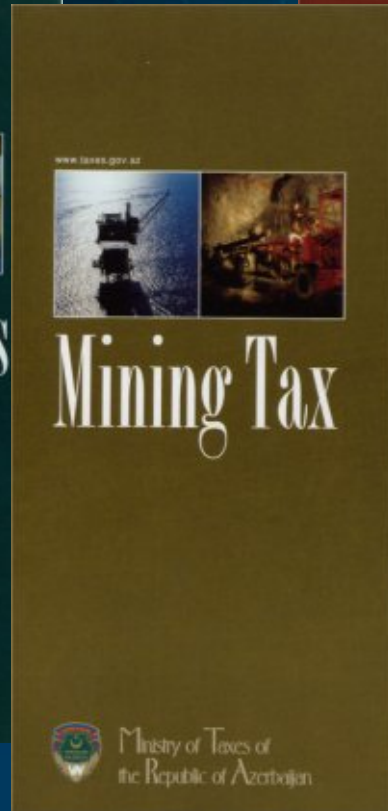
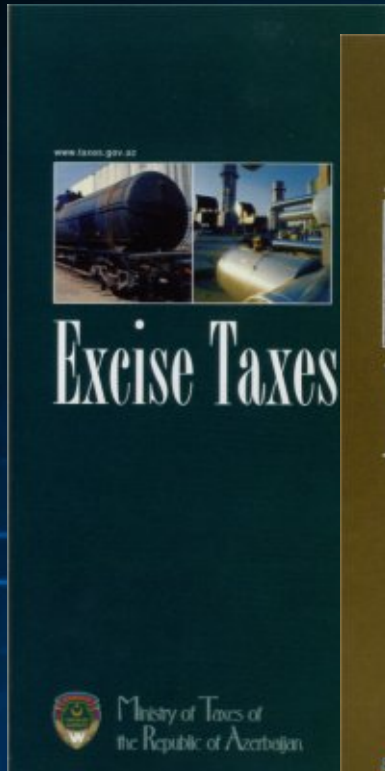


Main directions of the activity of the Department

- “Tax Service” Days
- Publications and multimedia products
- Free telephone service of the
Ministry of Taxes - 195
- Web-site – www.taxes.gov.az



Publications





**Free telephone service
(Call Center): 195**



The Call Center 195 of the Ministry of Taxes started its operation in the territory of Baku city in the last decade of December 2003



Free Telephone Service (Call Center): 195



2004: 200,543 calls
(42,916 calls during office
hours; 157,627 calls were
received by electronic
operator; 63 complaints)

2005: 112,500 calls
(39,267 calls during office
hours; 73,233 calls were
received by electronic
operator; 83 complaints)



- Registration of taxpayers
- Reception of tax returns
- Recording of tax receipts
- Desktop tax inspections
- Affairs with tax arrears



Registration of taxpayers

- Registration of legal entities
- Registration of VAT payers
- Issuance of certificates to open bank accounts



*Registration
of legal entities and physical persons*

- Registration of the taxpayer is implemented within 2 days upon submission of the application
- Taxpayers are registered at regional tax authorities
- The information about new taxpayer is entered into the server of the Ministry in interactive regime
- TIN is a unique number, which is comprised of 10 digits and is generated by special algorithm
- Ministry of Justice periodically provides information about registered subjects engaged in entrepreneurial activity



Ministry of Taxes of the Republic of Azerbaijan



Registration of taxpayers

Vergi ödəyicilərinin reyestri - Microsoft Internet Explorer предоставлен: ABBYY Software House

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites Media Print Mail News RSS Feeds

Address http://172.16.1.100/payers-registry/editPhysPayerInfo.do Go

Ссылки ABBYY Lingvo voen-1 Рейтинг в тесте... On-Line Тесты voen-local Yahoo! Groups soydas Messages 1758-1787 of 1787

Müfəttiş: Əlizadə Əinur Zona: Azərbaycan Respublikası Vergilər Nazirliyi Daxil oldu: 12.10.2005 12:05 Çıxış

vergi ödəyicilərinin reyestri

Ərizələr Axtarış Əlavə axtarış Alatlar Yenidən qeydiyyat

Fiziki şəxsin qeydiyyatı - Məlumatların daxil edilməsi

Vergi ödəyicisi barədə əsas məlumat		Vergi ödəyicisinin ünvanı	
Soyadı	HÜSEYNOV KAMAL CƏFƏRQULU	Ərazinin kodu	<input type="text"/>
Adı	KAMAL	Şəhər, rayon	<input type="text" value="Birini seçin"/>
Atasının adı	KAMAL	Kənd, qəsəbə	<input type="text" value="Birini seçin"/>
Şəxsiyyəti təsdiqləyən sənəd haqqında məlumat		Küçə	<input type="text"/>
Seriya	AZE	Ev	<input type="text"/>
Nömrəsi	21333333	Mənzil	<input type="text"/>
PIN-kodu	9999999	Poçt indeksi	AZ <input type="text"/>
Verən orqan	<input type="text"/>	Telefonlar və elektron ünvan	
Verilmə tarixi	12 <input type="text" value="Oktabr"/> 2005	Ev	<input type="text"/>
Vergi ödəyicisi barədə əlavə məlumat		İş	<input type="text"/>
Vətəndaşlıq	<input type="text" value="Azərbaycan Respublikası"/> <input type="text" value="AZE"/>	Mobil	<input type="text" value="Birini seçin"/>
Doğulduğu yer	<input type="text"/>	Elektron ünvan	<input type="text"/>
Doğulduğu tarix	12.10.1974		
Cinsi	<input checked="" type="radio"/> Kişi <input type="radio"/> Qadın		

Done Local intranet



Registration of VAT payers

- The taxpayer applies for VAT registration if his/her turnover for the period of the preceding three months exceeds a volume equal to 123.75 million manats (≈ 25.800 \$), or voluntarily.
- Standard VAT rate is 18%
- Taxation at the rate of 0% and exemption from VAT also exist



Issuance of certificate to open bank accounts

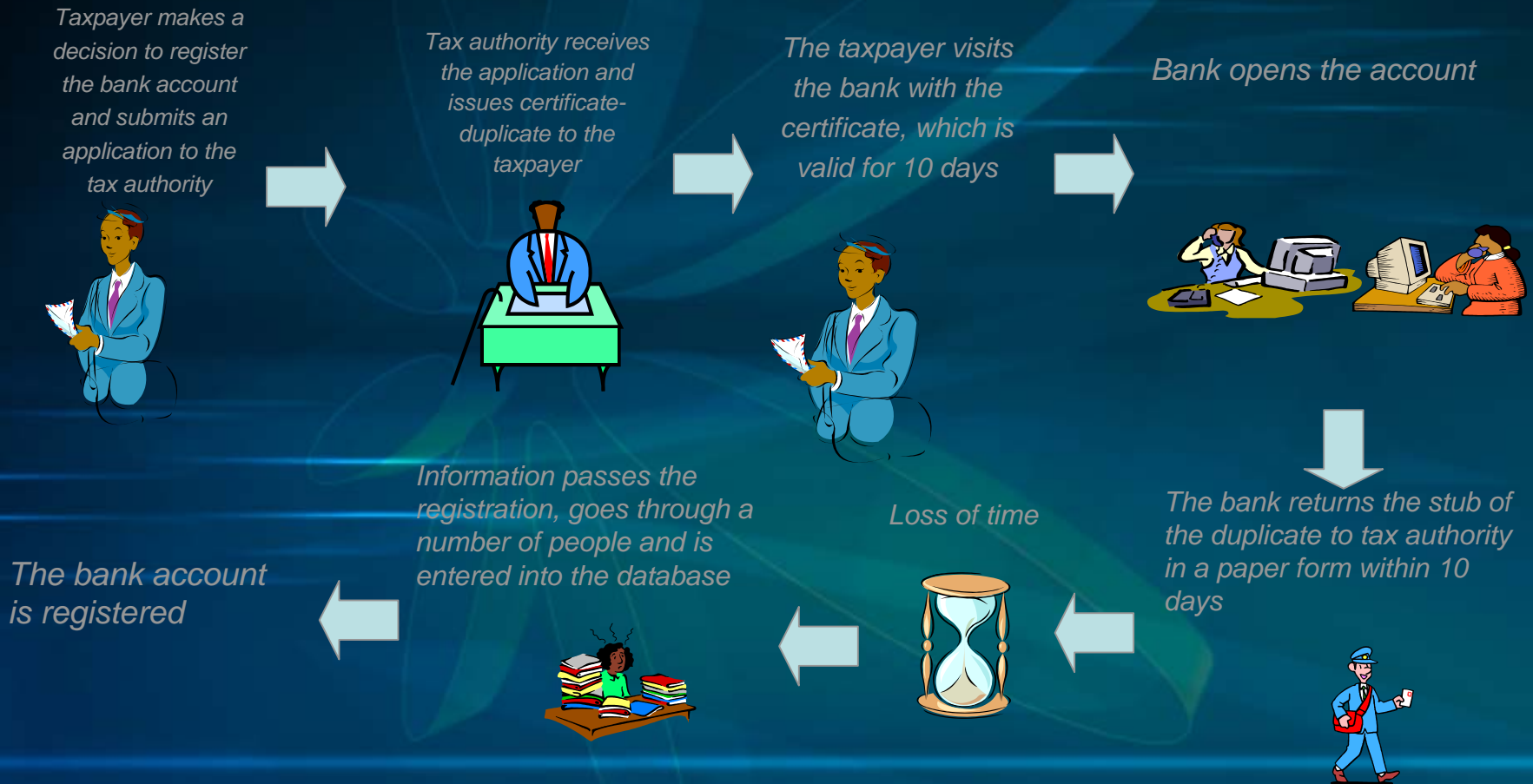
- VAT is credited only for non-cash payments
- Certificate is issued for registration of all bank accounts of taxpayers
- It is envisaged to have on-line exchange of certificates with banks through AVIS



Ministry of Taxes of the Republic of Azerbaijan



Issuance of certificates for opening of bank accounts



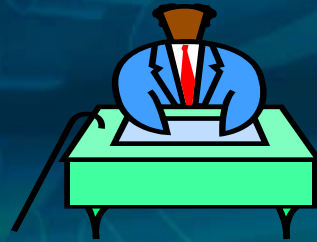


Issuance of certificates for opening of bank accounts (through AVIS)

Taxpayer makes a decision to register the bank account and submits an application to the tax authority or sends it via the internet

Tax authority receives the application and registers it in database

The bank receives the certificate, opens the account and reports the information about opening of the bank account



The bank account is registered




Reception of tax return via the interent (AVIS)

Digitally signs the return and submits it

Taxpayer electronically fills out the tax return at his/her own working place or at home on the internet



 **Əlavə Dəyər Vergisinin bəyannaməsi**

Azərbaycan Respublikasının Məliyyə Nazirliyi ilə razılaşdırılmışdır. Azərbaycan Respublikasının Vergilər Nazirliyi tərəfindən qəbul edilmişdir. Məlumat üçün məsləhətçiyə müraciət edilə bilər.

Qəddi: Verilmiş formanın tərtib edilmiş qaydalarını oxuyun.
Diqqət! +, /, %, Z simvollarından istifadə etməyin. Böyük hərflərlə qaza və ya göy dıtyiqəli qələmlə doldurun.

Bəyannamə təqdim edildiyi vergi orqanının adı:

Bölmə 1. Vergi ödəyicisi haqqında ümumi məlumat

1 VÖEN

2 Vergi ödəyicisinin tam adı

3 Verginin ödəyicisinin qrupu
(müvafiq xanadan birində **X** göstərin)

Vergi Məsuliyyət qəzətində fəalliyət göstərən vergi ödəyicisi

Qanunla təsdiq olunmuş hesabatın pay bölgüsü haqqında, əsas bəzi kəmərlər haqqında və digər bu qəbildən olan sənədlər və ya qanunlar qəzətində fəalliyət göstərən əlavə vergi redirlir.

4 ƏDV bildirişinin №-si

AVIS identifies the taxpayer, checks the data and notifies the taxpayer about the reception of the tax return

Information is in the database

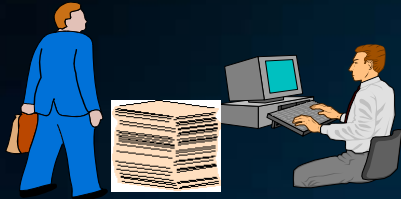


Desktop tax inspections

- Tax authorities conduct the desktop inspection of tax returns based on the data received from:
 - previous tax returns submitted by the same taxpayer
 - tax returns submitted by other taxpayers engaged in the same type of activity
 - inspections conducted by chronometer method
 - other government agencies (particularly Ministry of Internal Affairs, Ministry of Finance, Customs Committee, State Statistics Committee and etc.)
 - printing houses
 - market prices
 - taxpayers engaged in entrepreneurial activity with the subject taxpayer
 - etc.

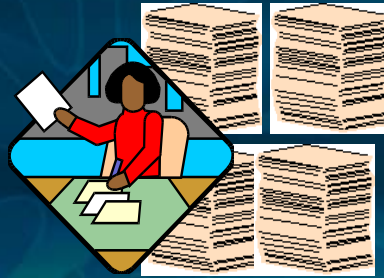


Desk Audit



Taxpayer submits the tax return to tax authority in person or by mail

Tax return is presented to the Office of Tax Returns. Tax inspector obtains the return, opens the file of the subject taxpayer, which is stored in special room.



Tax inspector checks the return according to the existing methods. In case the tax evasion is found, tax inspector recalculates the amount and enters the information into the database



The notification and the excerpt from the personal account is sent to the taxpayer



Accuracy of the notification is checked by another tax inspector

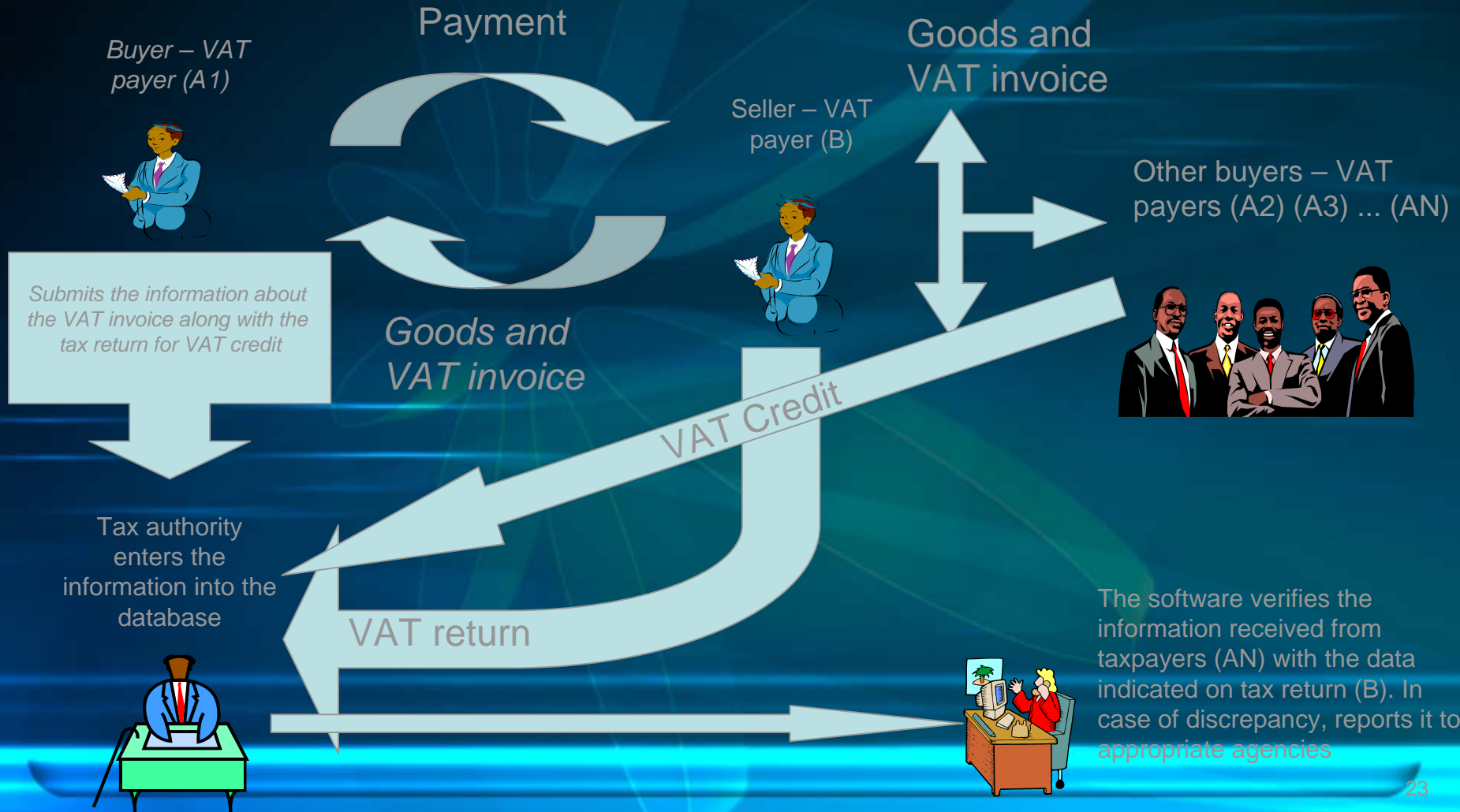


Tax inspector draws up the notification for the taxpayer about the added tax amount



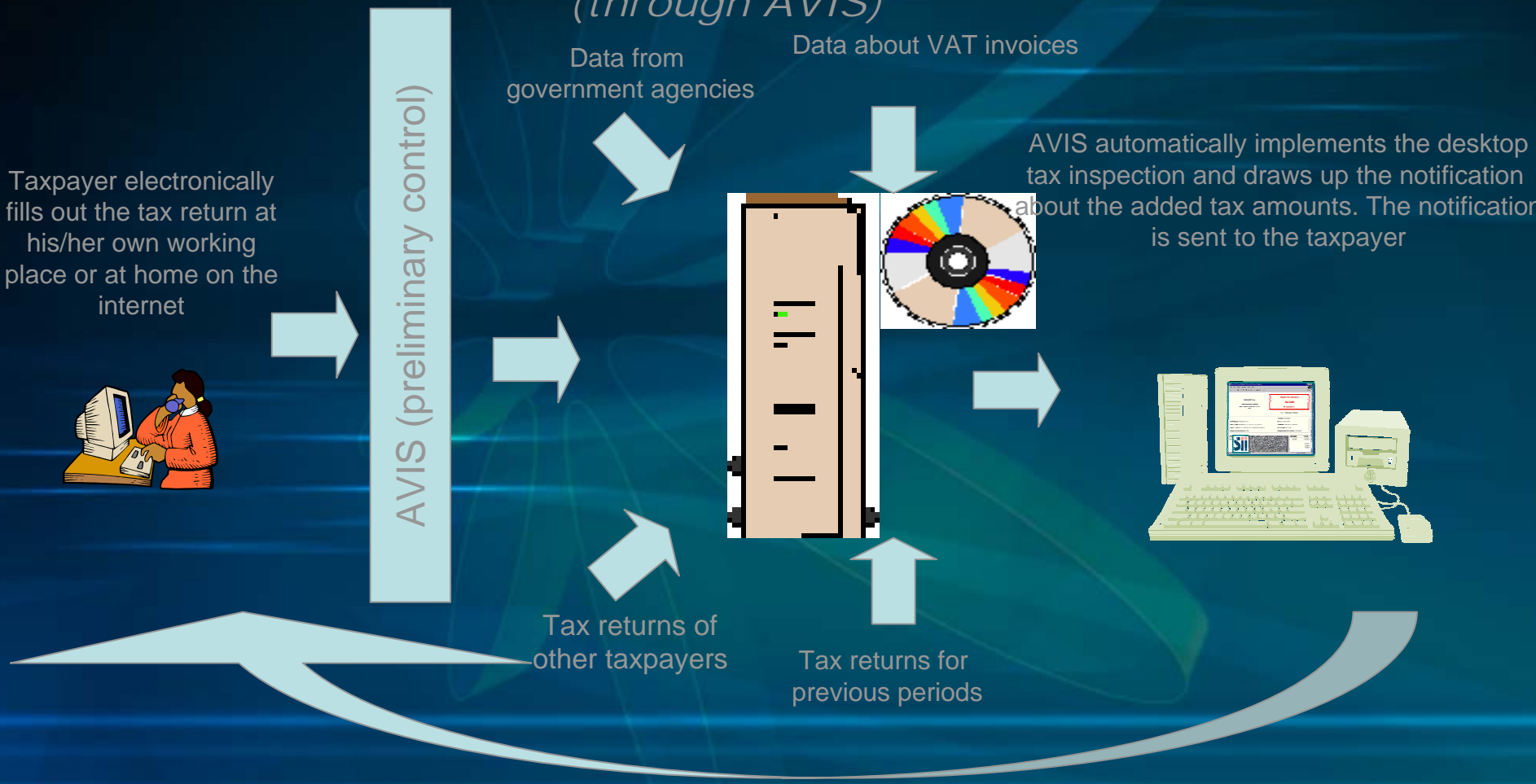


Desk Audit – «Minimum turnover»





Desk Audit (through AVIS)



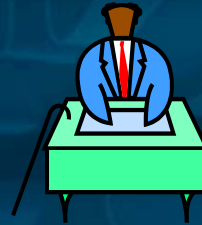


Recording of tax payments

Taxpayer makes the tax payment through the bank



The bank enters the payment into the account of the Treasury



The Treasury processes the information



The Treasury presents the information to local tax authorities on paper



Information of the Treasury is recorded and entered into the database



Loss of time



Loss of time



Payment is recorded in personal account



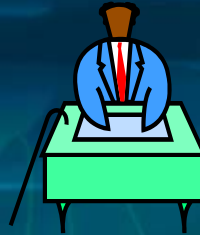


Recording of tax payments (through AVIS)

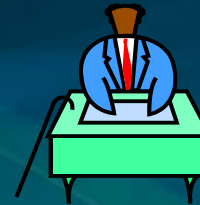
The taxpayer makes the payment through the bank



The bank implements the payment to the Treasury, to the budget account



The Treasury processes the information



Tax payments are recorded in the personal account of the taxpayer by categories



No	Əməliyyatın tarixi	Əməliyyatın məzmunu	Verginin kodu	Müddət	Hesablanmışdır	Azadılmışdır	Ödənilmişdir	Qaytarılmışdır	Qalıq	Artıq ödəmə	günlərin sayı	Faiz
1	01.01.2006	qalıq		01.01.2006					100 000,0			90 000,0
2	06.03.2006	ödəniş		06.03.2006			6 000,0		96 000,0			
3	02.04.2006	yenidən haqq-hesab		16.11.2004	20 000,0				116 000,0			
4	02.06.2006	yenidən haqq-hesab		16.08.2004		30 000,0			86 000,0			
5	01.06.2006	əmlak vergisi		16.06.2006	60 000,0				136 000,0			
6	01.06.2006	əmlak vergisi		16.11.2006	60 000,0				166 000,0			
7	01.06.2006	torpaq vergisi		16.06.2006	40 000,0				226 000,0			
8	01.06.2006	torpaq vergisi		16.11.2006	40 000,0				266 000,0			
9	06.06.2006	ödəniş		06.06.2006			10 000,0		266 000,0			
10	10.06.2006	ödəniş		10.06.2006			6 000,0		260 000,0			
11	31.07.2006	ödəniş		31.07.2006			30 000,0		220 000,0			
12	16.08.2006	ödəniş		16.08.2006			10 000,0		210 000,0			

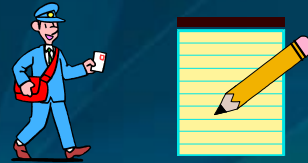


Enforced collections

The list of debtors is made within 3 days



The notification is sent to the taxpayer and executive list is opened



In case of failure to pay the tax debt within 5 days, the "garnishee" notice is issued on the taxpayer's payments account



If taxpayer fails to fulfill the tax obligation within 10 days, tax official meets with the taxpayer and conducts explanatory works with regards to the payment of the tax debt



If the tax debt is still not paid, the decision is made on the seizure of the property



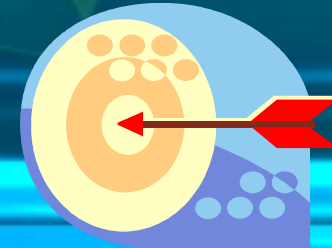
If the debt is not extinguished within 60 days following the seizure of the property, the tax authority applies to the court for the sale of seized property



The court makes decision on the sale of the property and the property is sold at the auction by the court executors



Funds received from the sale goes to the budget





**Official web-site of the Ministry of Taxes:
www.taxes.gov.az**

The official web-site was developed in September 2001.

- Legislation acts
- Questions and answers
- Direct contact with the minister
- Electronic version of tax returns
- Application form for tax registration
- Tax calendar
- Statistics of taxes and other payments to the State Budget
- Interactive map of regional tax authorities

Interactive communication with taxpayers:

- 2003 – 200 enquiries from taxpayers
- 2004 – 516 enquiries from taxpayers
- First 9 months of 2005 – 732 enquiries from taxpayers
- 79 letters on tax issues addressed directly to the Minister on the web-site



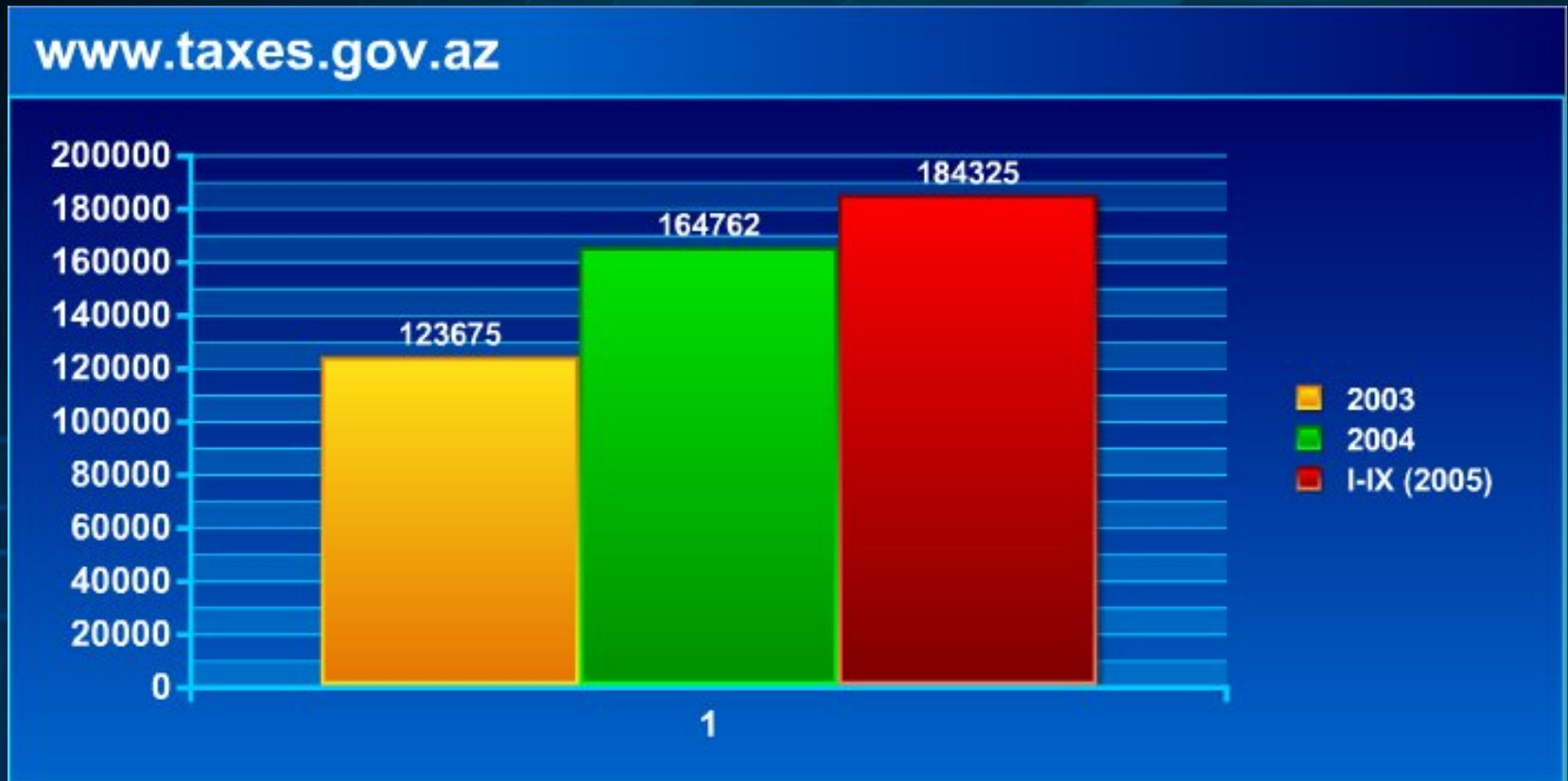
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Prospects for the improvement of the web- site:

- Forum for the employees of tax authorities
- Possibility to view your own tax debts and payments online
- WAP version of the site



www.taxes.gov.az: statistics of the visitors





Official web-site of the Ministry of Taxes: www.taxes.gov.az

Awards:

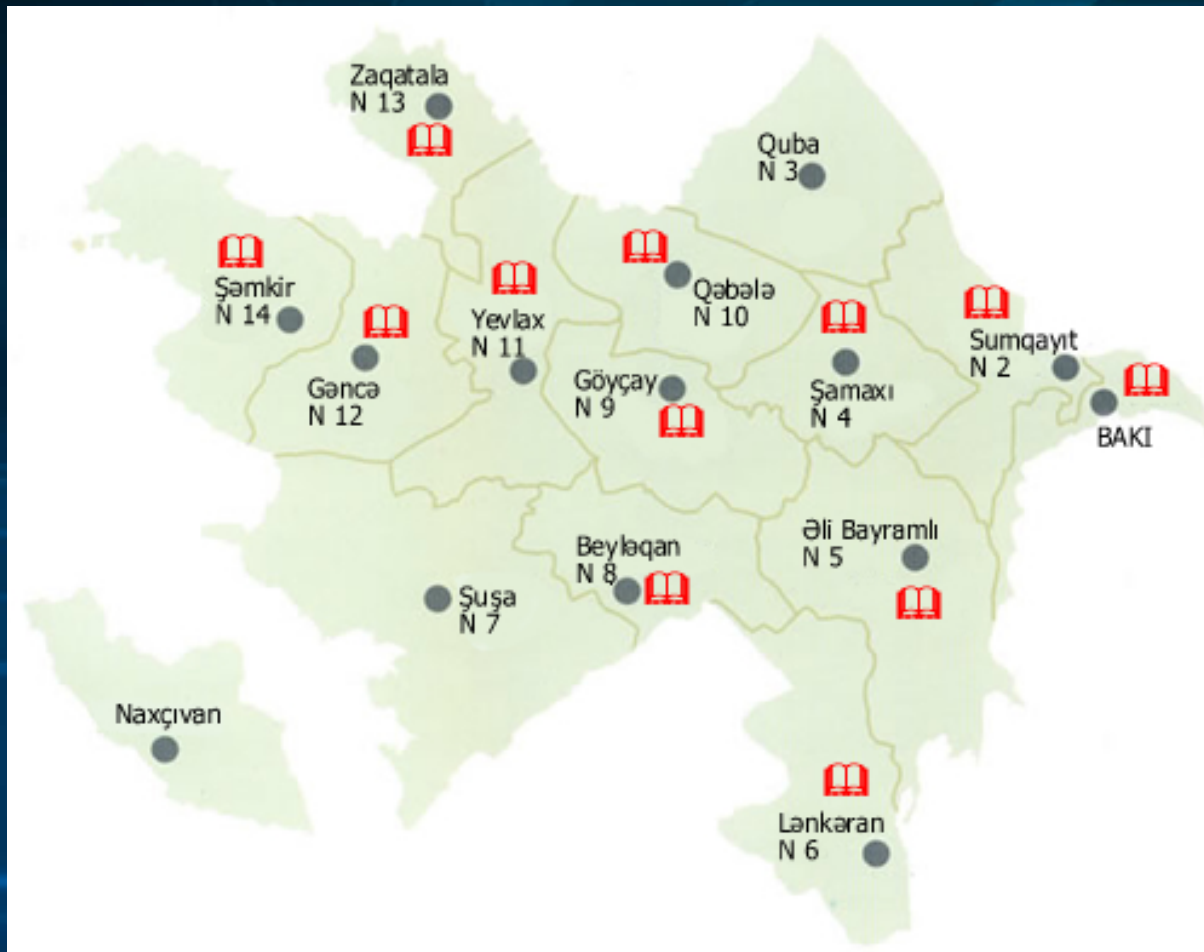
- “Humay” National Award for “The best internet-project of 2002”

- “Netty” National Internet Award for “The best government web-site of 2005”





Methodical cabinets





Thank you



for your attention !

www.taxes.gov.az