



## Legal updates

In this release, we would like to bring to your attention an overview of the following:

- New Double Taxation Treaty between Azerbaijan and Kyrgyzstan
- Electronic Competition Information System Established
- Latest Developments in Personal Data Protection Legislation
- New Updates regarding Tobacco Regulations
- Introduction of New State Standards for Hybrid Vehicles

### New Double Taxation Treaty between Azerbaijan and Kyrgyzstan

*On June 28, 2024, the Law of the Republic of Azerbaijan on the approval of the "Convention between the Republic of Azerbaijan and the Republic of Kyrgyzstan on the elimination of double taxation and prevention of tax evasion with respect to taxes on income" (the "DTT") was adopted.*

The Convention, signed in Baku on April 24, 2024, is the first DTT between Azerbaijan and Kyrgyzstan.

The DTT aims to create favorable conditions for investors, facilitate information exchange to ensure compliance, and establish effective bilateral relations for the collection of taxes, further deepening the economic cooperation between two countries.

### Electronic Competition Information System Established

*On July 9, 2024, the Decree of the President of the Republic of Azerbaijan "On the establishment of the Electronic Competition Information System" (the "Decree") was adopted.*

According to the Decree, the Electronic Competition Information System ("ECIS") ensures the following:

- Receive and process applications from consumers and other market participants regarding competition and consumer rights protection
- Facilitate real-time request for documents or information from other state bodies
- Enable electronic submission of decisions and information pertaining to applications
- Ensure the availability and accessibility of data for users

ECIS will be established under the auspices of the Ministry of Economy of the Republic of Azerbaijan and operated by the State Service for Antimonopoly and Consumer Market Control.

The Decree sets a six-month period for the establishment of ECIS.

The Decree came into force on July 9, 2024.

## Latest Developments in Personal Data Protection Legislation

*On June 28, 2024, the Law of the Republic of Azerbaijan "On amendments to the Law on Personal data" (the "Amendments") was adopted.*

According to the Amendments, obtainment, and withdrawal of consent from individuals for the purposes of personal data collection and processing shall be maintained through the Electronic Government Information System.

Exceptions to this rule include personal data collection and processing for state security and national archiving purposes, as well as cases where personal data collection and processing are mandatory under the applicable legislation.

The Amendments became effective on July 16, 2024.

## New Updates regarding Tobacco Regulations

*On May 24, 2024, the Law of the Republic of Azerbaijan "On amendments to the Tax Code, Customs Code, the Laws "On State duty" and "On Licenses and permits" was adopted. Accordingly, on May 25, 2024, the Law of the Republic of Azerbaijan "On amendments to the Law on Tobacco and tobacco products" was enacted (the "Amendments"). The Amendments came into force on July 15, 2024, upon their publication.*

With the adoption of Amendments, the following have been determined with regard to business entities engaged in tobacco production and import (the "tobacco businesses"):

- Tobacco businesses are required to undergo registration and accreditation as per the Law "On Licenses and permits"
- Specific registration requirements for tobacco businesses have been established

- An extract from the register is provided in an electronic or paper form upon payment of the state duty as established by the Law "On State duty"
- Tobacco businesses should apply for registration within 6 months from the date the Amendments take effect in order to continue their activities. The deadline for this procedure is January 15, 2025

Moreover, pursuant to the Amendments:

- Identification of violations of the registration requirements established for tobacco businesses is envisaged as one of the grounds for operative tax audit
- Customs authorities are authorized to inspect the extract from the register of tobacco businesses

These Amendments became effective on July 15, 2024.

## Introduction of New State Standards for Hybrid Vehicles

*On July 2, 2024, the State standards on hybrid vehicles (the "Standards") were adopted by Azerbaijan Standardization Institute under the State Service for Antimonopoly and Consumer Market Control under the Ministry of Economy of the Republic of Azerbaijan.*

The Standards are intended to achieve the followings:

- Determination of the category of hybrid cars imported into the country
- Establishment of the necessary infrastructure for the use of environmentally friendly and safe vehicles
- Reduction of pollutants released by vehicles
- Assurance of safety in electric vehicle transmissions

## Contacts

We hope that you will find this overview helpful. For more detailed information, please contact the following specialists:



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