



# Tax and Legal messenger

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

- Extended VAT Exemption Period for Electric Vehicle Chargers
- Amendments to the Rules for Employees' Business Trips
- Procedure for Making Changes to Investment Promotion Certificates

## Extended VAT Exemption Period for Electric Vehicle Chargers

*On October 8, 2024, the Law of the Republic of Azerbaijan "On the amendments to the Tax Code of the Republic of Azerbaijan" (the "Amendments") was adopted.*

Pursuant to the Amendments, VAT exemption period for the import and sale of second and third-level electric chargers for electric vehicles has been extended until January 1, 2027.

The mentioned VAT exemption has been in place since January 1, 2022.

The Amendments came into force on October 15, 2024.

## Amendments to the Rules for Employees' Business Trips

*On September 27, 2024, Decision "On the amendments to the Decision on the approval of the Rules for Employees' Business Trips" (the "Amendments") was adopted by the Ministry of Finance of the Republic of Azerbaijan.*

According to the Amendments, a clear division has been established between the percentage of per diem business trip expenses allocated for food and transportation.

Moreover, in accordance with the Amendments, employees shall also receive rest days or, alternatively, salary compensation, when their business trip begins or ends on voting and national days of mourning. Additionally, it covers instances where the employee worked during these periods while on a business trip, such as attending classes, courses, conferences, or similar events. Previously, this rule applied

only when the start and end dates of business trips coincided with holidays not considered as working days and rest days.

Compensation for work performed on these days will be provided as stipulated under Article 164 of the Labor Code of the Republic of Azerbaijan. This may include compensation equivalent to the salary, double salary, or the granting of another day off.

Following the Amendments, new per diem rates for business trip expenses within the territory of the Republic of Azerbaijan are as follows:

- 70 % for hotel accommodations
- 25 % for daily food expenses
- 5 % for expenses related to intra-city transportation, communication, and other services

Thus, compared to previous rates, a clear division has been made between food and other expenses, and the rate for hotel accommodation has decreased by 10%.

For business trips to foreign countries, new per diem rates for business travel expenses is allocated as follows:

- 60% for hotel accommodations
- 35% for daily food expenses
- 5% for expenses related to intra-city transportation, communication, and other services

Thereby, the division between the percentage of food and other expenses have been explicitly specified. The percentage of hotel accommodation expenses have remained unchanged.

Additionally, new per diem rates for business trip expenses have been established for employees when they are sent on business trips to foreign countries by inviting parties. Based on Amendments, rates for different types of expenses (e.g., different rates in cases employees are provided with food or place) have been outlined in detail.

It is important to note that the Rules are only applicable to state bodies and state-owned enterprises.

Amendments entered into force on October 9, 2024.

## Procedure for Making Changes to Investment Promotion Certificates

*On October 2, 2024, the Decree "On the amendments to the Rules for issuing investment promotion certificate" (the "Amendments") was adopted by the President of the Republic of Azerbaijan.*

Pursuant to the Amendments, entrepreneur may apply to the Ministry of Economy of the Republic of Azerbaijan (the "Ministry") for the purpose of making amendments to the information indicated in the investment promotion certificate ("certificate"). This application shall be considered by the Ministry within 5 business days.

Moreover, it is possible to amend the certificate in case the entrepreneur transfers the project to another entrepreneur. The Amendments determine an exhaustive list of documents required for this procedure. If submitted documents are in order and there are no overdue obligations of the new entrepreneur for taxes and other mandatory payments, the Ministry issues administrative act on the amendment of the certificate.

Following this procedure, the certificate and the administrative act adopted on the amendment of that certificate shall be sent to the new entrepreneur, and the previous entrepreneur shall be notified about it within 2 business days.

The Amendments entered into force on October 2, 2024.

## Contacts

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



Arzu Hajiyeva  
Partner, Tax & Law  
Tel: +994 (12) 490 7020  
[arzu.hajiyeva@az.ey.com](mailto:arzu.hajiyeva@az.ey.com)



Mammad Balajanov  
Senior Manager, Head of Legal, Tax & Law  
Tel: +994 (12) 490 7020  
[mammad.balajanov@az.ey.com](mailto:mammad.balajanov@az.ey.com)

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform, and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). For more information about our organization, please visit [ey.com](https://ey.com).

EY works together with companies across Caucasus and Central Asia and assists them in realizing their business goals. More than 1,700 professionals work at 8 offices (in Almaty, Astana, Atyrau, Baku, Bishkek, Tashkent, Tbilisi, and other locations).

© 2024 Ernst & Young Holdings (CIS) B.V.

All rights reserved.

ED None.

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global EY organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

[ey.com/az](https://ey.com/az)