



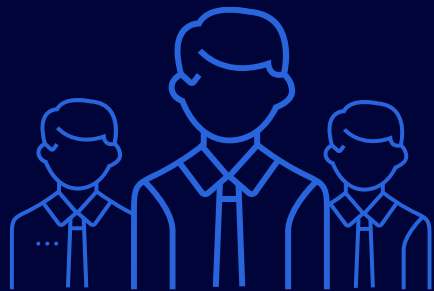
**GRATA**  
INTERNATIONAL

# TAX

---

2021

Prepared by Royal Ibrahimli  
Associate of GRATA International (Azerbaijan)

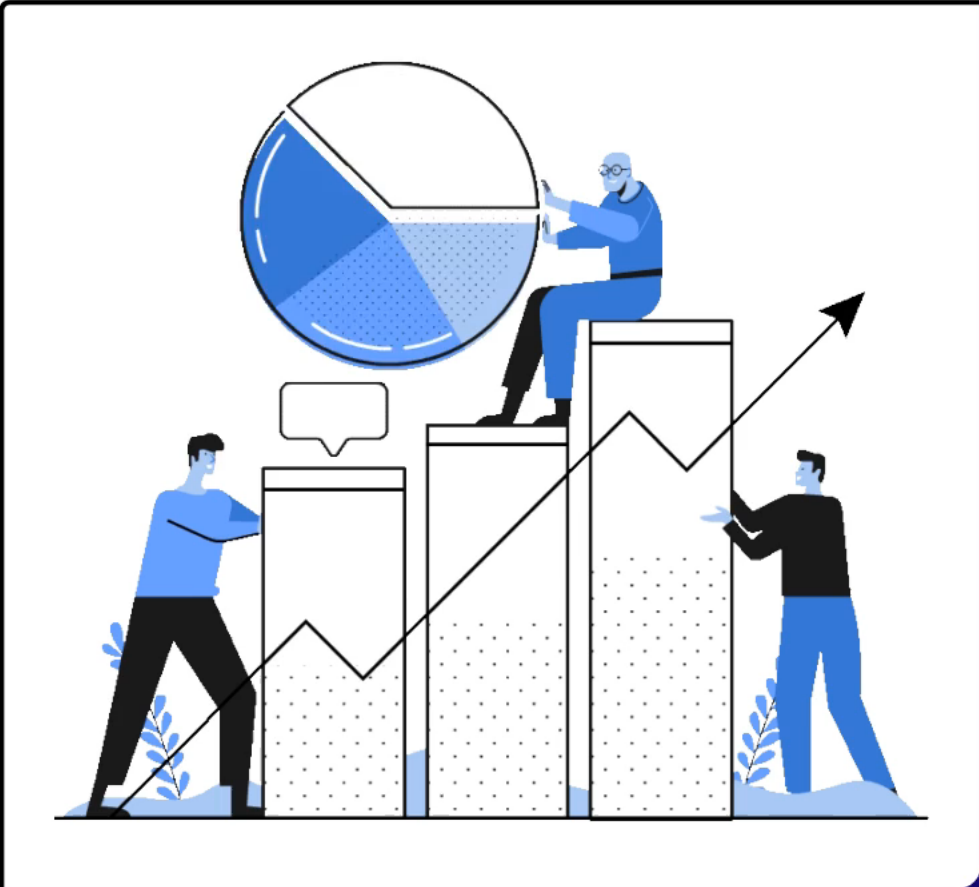


## **RULES OF ADMINISTRATION OF DOUBLE TAX TREATIES IN AZERBAIJAN**

**Republic of Azerbaijan has entered into Double Tax Treaties (DTTs) with 55 countries.**

**The implementation mechanism of DTTs in Azerbaijan is regulated by the Resolution of the State Tax Service (formerly known as the Ministry of Taxes) on “Administration of International Agreements for the Avoidance of Double Taxation between the Republic of Azerbaijan and Other States” dated 12 June 2017 (“DTT Administration Regulations”).**

# DTT APPLICATION OPTIONS



DTT Administration Regulations provide 3 options for non-residents to avoid double taxation in Azerbaijan.



## DTA-03

for advance exemption or application of a lower tax rate



## DTA-04

for confirmation of taxes paid in the Republic of Azerbaijan



## DTA-05

for refund of overpaid tax

# DTA-03



## **Purpose**

- Advance exemption or application of a lower tax rate

## **Applicant**

- Non-resident or its legal representative

## **Recipient of the application**

- The tax authority with which the person making payment to a non-resident is registered

## **Time of submission**

- By the date of income payment

## **Submission method**

- In soft (via e-tax portal) or hard copy for each person making payment (tax agent) separately

## **Supporting documents**

- Contract, tax residency certificate, extract from the state register, Power of Attorney, invoice, etc.

## **Term of review**

- 20 business days

## **Tax authority's response**

- A notification on approval or rejection is issued in the e-tax portal and sent to applicant in soft and/or hard copy.

## **Post-rejection steps**

- Applicant may reapply or appeal the decision.

# DTA-04



## **Purpose**

- Confirmation of taxes paid in the Republic of Azerbaijan

## **Applicant**

- Non-resident or its legal representative

## **Recipient of the application**

- The tax authority with which the person making payment to a non-resident is registered

## **Submission method**

- In soft (via e-tax portal) or hard copy

## **Supporting documents**

- Contract, tax residency certificate, extract from the state register, Power of Attorney, invoice, etc.

## **Term of review**

- 20 business days

## **Tax authority's response**

- A notification on approval or rejection is issued in the e-tax portal and sent to applicant in soft and/or hard copy.

## **Post-rejection steps**

- Applicant may reapply or appeal the decision.

# DTA-05



## **Purpose**

- Refund of overpaid tax

## **Applicant**

- Non-resident or its legal representative

## **Recipient of the application**

- The tax authority with which the person making payment to a non-resident is registered

## **Conditions for submission**

- When DTA-03 Form is not submitted or is not submitted in a timely manner or when, for any other reasons, the tax paid by the non-resident exceeds that of stipulated in DTT.

## **Submission method**

- In soft (via e-tax portal) or hard copy for each person making payment (tax agent) separately

## **Term of review**

- 20 business days

## **Supporting documents**

- Contract, tax residency certificate, extract from the state register, Power of Attorney, invoice, etc.

## **Tax authority's response**

- A notification on approval or rejection is issued in the e-tax portal and sent to applicants in soft and/or hard copies.

## **Refund**

- In case the application is successful, the tax authority issues a letter of opinion on the refund of overpaid taxes and sends this letter to applicant and local department of the Ministry of Finance.

## **Post-rejection steps**

- Applicant may reapply or appeal the decision.

## Special Notes

- When an application form is received in soft or hard copy, relevant notification on receipt of the application is sent/submitted to the applicant;
- Applications are reviewed by tax authority within 20 business days. If additional time is needed for the investigation of the received application form, timeframe for review of the application may be extended to a period not exceeding 20 business days;
- For the purpose of DTA-05 Form, the certificate of tax residency approved by competent authority of non-resident's state of residence shall cover the period for overpaid taxes. With respect to DTA-03 Form, the certificate of tax residency shall be deemed effective for one-year period as of the date of its approval;
- Supporting documents have to be legalized, apostilled or notarized;
- If supporting documents are in foreign language, their notarized translation into Azerbaijani language shall be submitted.





**THANK YOU!**

Royal  
Ibrahimli  
Associate

+99450 451-41-42

[ribrahimov@gratanet.com](mailto:ribrahimov@gratanet.com)

[www.gratanet.com](http://www.gratanet.com)