I confirm:
Chairman of the Commission on Business Environment and International Rankings of the Republic of Azerbaijan, First Deputy Prime Minister of the Republic of Azerbaijan
Yagub Eyyubov

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22.08.2022

Roadmap for 2022-2023 to implement improvements in the relevant field on indicator "Taxation" of the World Bank Group's "Favorable Business Environment" project

No.	Requirements of subcomponents	Measures	Last execution date	Executive agencies	Responsible persons
1. Quality of tax regulations sub-indicator					
1.1. Ensuring clarity of tax provisions					
1.1.1.	Mechanisms and intensity of surveys	1. Developing a special section on conducting surveys on the official website of the State Tax Service, placing the results of all surveys online or offline in the previous periods in that section, and establishing a search mechanism for surveys	31.12.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Zaman Mammadov
		2. Developing and approving the procedure for conducting surveys (including determination of thematic topics, periodicity, specific questioning, scope, etc.)	01.11.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Elchin Mammadov, Nijat Imanov

		3. Conducting online surveys authorizing to get feedback on the business environment in accordance with the new rules on conducting surveys to be approved	01.03.2023 01.11.2023	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Elchin Mammadov
1.1.2.	Frequently Asked Questions (FAQ) section on web pages	1. Creating separate FAQs on the changes made to the Tax Code of the Republic of Azerbaijan	01.12.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Elchin Mammadov
		2. Creating a search function under the "Frequently Asked Questions (FAQ)" subsection, clustering questions by types of the taxes and thematic topics	01.11.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Elchin Mammadov, Nijat Imanov
1.1.3.	Assessing existing systems for providing guidance to taxpayers through open rulings or addressed response letters to ensure certainty and clarity	1. Responding to requests received from taxpayers on mandatory state social insurance, unemployment insurance and medical insurance legislation in relation to tax legislation (administration), calculation and payment of insurance premiums in accordance with the "Rules for using service channels in tax authorities"	Permanent	Ministry of Economy (State Tax Service)	Elchin Mammadov
		2. Sending written information to the e-offices of taxpayers about the changes made to the legislation and the main achievements achieved in the implementation of the current Roadmap	At least once each quarter	Ministry of Economy (State Tax Service)	Elchin Mammadov
		3. Measuring the percentage of timely sending of letters to taxpayers, the percentage of taxpayers being covered by those letters, the percentage of reading of written information sent to taxpayers and the quality of correspondence	At least once each quarter	Ministry of Economy (State Tax Service)	Elchin Mammadov
		4. Holding meetings with representatives of tax payers, business associations and consulting companies about the changes made to the legislation and the main achievements of	At least once each quarter	Ministry of Economy (State Tax Service)	Elchin Mammadov

		implementing the current Roadmap			
		5. Providing a targeted services to taxpayers (at their physical or legal address) to increase the level of voluntary compliance	In the cases and periods stipulated in the rules	Ministry of Economy (State Tax Service)	Elchin Mammadov
		6. Assessing the quality of the meetings held and the targeted services provided and publishing information about it in the media	At least once each quarter	Ministry of Economy (State Tax Service)	Elchin Mammadov
		7. Sending relevant SMS to taxpayers to ensure the timely performance of their tax obligations	Permanent	Ministry of Economy (State Tax Service)	Elchin Mammadov
		8. Placing the electronic form of information on changes in mandatory state social insurance, unemployment insurance and health insurance legislation on the calculation and payment of insurance premiums in the relevant section on the official website of the State Tax Service	Permanent	Ministry of Economy (State Tax Service)	Elchin Mammadov, Rovshan Mammadov
		9. Ensuring certainty and clarity, publishing explanatory materials on current topics in the online socio-economic newspaper "VERGILER" (https://vergiler.az/)	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		10. Organizing interviews and briefings on the advantages and priorities of reforms in implementing progressive innovations in the field of tax payment and accountability improvement	At least once each quarter	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		11. Disseminating information on progressive innovations in the field of tax payment and accountability improvement in the mass media	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		12. Disseminating information about trainings and other meetings held with entrepreneurs, public associations and industry associations in	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov

		the mass media.			
		13. Preparing informative and statistical materials and disseminating them in mass media to keep information on the public agenda	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		14. Preparing proactive materials on the benefits of the reforms and subsequently disseminating them in mass media	At least once each quarter	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		15. Creating and publishing videos, graphics, animated infographics and posters on social media	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		16. Surveying the feedback of taxpayers for preparing educational materials on challenging topics and publishing educational materials in this field	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		17. Translating the "Communication Strategy on Raising Awareness and Ensuring Public Participation in the Field of "Starting a Business, Tax and Accountability" into English and placing the document in both languages on the official website of the State Tax Service	01.10.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Farhad Huseynov
1.2. Stability of tax rules					
1.2.1.	Assessing the level of stability in the structure of national taxes, focusing on national tax legislation	Conducting assessments and analyses on the attribution of non-deductible expenses to income-deductible expenses, studying progressive foreign practice in this field	01.11.2022	Ministry of Economy (State Tax Service)	Nijat Imanov
1.2.2.	Frequency of changes to the law on corporate income tax (profit tax) (calculation of income, expenses and exemptions)	1. Holding meetings with the participation of business entities, associations and government bodies on the attribution of non-deductible expenses to income-deductible expenses and discussing relevant issues	01.11.2022	Ministry of Economy (State Tax Service)	Nijat Imanov
		2. Preparing a project on making changes in the legislation on the attribution of non-deductible expenses to income-deductible expenses and subsequently submitting it for relevant purposes	01.03.2023	Ministry of Economy (State Tax Service), Ministry of Finance, Ministry of Justice	Nijat Imanov

1.2.3.	Frequency of changes to rules on environmental taxation	1. Studying advanced international practices on determining the scope of application of environmental and green taxes and preparing and submitting a relevant report to the Commission	01.03.2023	Ministry of Economy (State Tax Service)	Nijat Imanov
		2. Maintaining and enhancing tax incentives for import and sale of hybrid vehicles	01.12.2023	Ministry of Economy (State Tax Service)	Nijat Imanov
		3. Developing proposals on the tax exemption of the income from the transmission of the electricity produced by the active consumers of the population group up to the power limit of 150 kW (including 150 kW) at the expense of renewable energy sources to the electricity supply network and submitting the proposals for relevant purposes	01.11.2022	Ministry of Economy (State Tax Service)	Nijat Imanov
1.3. Transparency in developing tax regulations					
1.3.1.	State of providing regular information to business subjects about future changes in procedures and processes by official bodies	1. Holding meetings with chambers of commerce and associations and conducting discussions on the project to amend the Tax Code as of following year	September-December 2022	Ministry of Economy (State Tax Service)	Nijat Imanov, Elchin Mammadov
		2. Disseminating public information on the work done on changes to the tax legislation	Each quarter	Ministry of Economy (State Tax Service)	Nijat Imanov, Rovshan Mammadov, Elchin Mammadov
1.3.2.	Time between providing information on the expected tax changes and entry into force of those changes	3. Assessing reforms with the involvement of experts specialized in the field of taxation and accounting in the activities of the "Taxation and accountability" working group	01.12.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		4. Receiving and discussing proposals from experts specialized in the relevant field	Each quarter	Ministry of Economy (State Tax Service)	Rovshan Mammadov

1.3.3.	State of regulatory impact assessment ("Regulatory impact assessment") (including environmental taxation) and public consultation of all new regulations by official authorities	5. Providing information on the availability of services for receiving applications and proposals on the "https://azranking.az/" portal in the media and social networks	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		6. Promoting the activities of the "Tax and Accountability" working group on tax and accounting pages on social networks	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		7. Defining society's attitude and expectations towards reforms by conducting online surveys of various nature	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov
		8. Translating "Methodology for assessing the impact of concessions and exemptions granted in the field of tax and customs on the revenues of the state budget and the Rules for maintaining the register of those concessions and exemptions" approved by the Resolution No. 38 of the Cabinet of Ministers of the Republic of Azerbaijan dated February 8, 2020 into English and placing it on the official website of the State Tax Service	01.12.2022	Ministry of Finance, Ministry of Economy (State Tax Service)	Fikret Shirinov, Natig Shirinov, Farhad Huseynov
2. Services provided by the tax administration					
2.1. Electronic systems for tax declaration, payment and calculation of taxes					
2.1.1.	Availability of online services provided to taxpayers: - electronic declaration systems; - electronic tax payment systems; - taxpayer portals; - pre-filled tax return systems; electronic self-service tools, etc.	1. Providing a link to the system of pre-filled tax returns	30.12.2023	Ministry of Economy (State Tax Service)	Zaur Fatizadeh, Zaman Mammadov
		2. Creating new electronic services of the Internet Tax Administration and existing electronic services in the instructive mode (simulator) titled "Research on the business environment and tax burden", "Electronic tax consulting", "Ranking", "Assessment of tax compliance", "Research counterparties"	22.12.2023	Ministry of Economy (State Tax Service)	Elchin Mammadov, Zaman Mammadov

2.1.2	Degree of interaction and information exchange between tax and other government authorities (e.g. cross-referencing and automatic exchange of information)	3. Organizing and expanding information exchange with relevant state institutions (Ministry of Justice, Ministry of Emergency Situations, Ministry of Health, Ministry of Digital Development and Transport, State Migration Service, National Depository Center of the Republic of Azerbaijan, lottery organizer)	01.04.2023	Ministry of Economy (State Tax Service), Ministry of Justice, Ministry of Emergency Situations, Ministry of Health, Ministry of Digital Development and Transport, State Migration Service, National Depository Center of the Republic of Azerbaijan	Natig Shirinov, Zaman Mammadov
2.2. Risk-based auditing					
2.2.1.	Targeting the system mainly at high-risk taxpayers rather than at large numbers of businesses	Enhancing and improving the parameters for identifying inconsistencies in the electronic risk system	Permanent	Ministry of Economy (State Tax Service)	Zaur Fatizadeh, Jamal Gasimov, Zaman Mammadov
2.2.2.	Selecting taxpayers and areas to be audited in a centralized manner, not by audit units				
2.2.3.	Availability of transparent and effective audit procedures				
2.3. Dispute resolution mechanisms					
2.3.1.	Assessing the structure and independence of dispute resolution mechanisms (the mechanisms should be simple, transparent and independent) *Note: reviewing applications on audit inspections by (independent) specially designated responsible persons separate from audit department.*	1. Monitoring non-conformity documents on cameral tax audits and making appropriate corrections based on the results	Permanent	Ministry of Economy (State Tax Service)	Zaur Fatizadeh, Jamal Gasimov, Zaman Mammadov
		2. Establishment of Tax Ombudsman office	01.12.2022	Ministry of Economy (State Tax Service)	Elchin Mammadov
		3. Determining and approving the rules governing the activities of the Tax Ombudsman	30.12.2022	Ministry of Economy (State Tax Service)	Elchin Mammadov

		Office			Rovshan Mammadov
		4. Conducting publicity in the field of the Tax Ombudsman, publishing information on received and reviewed applications, completed works	Each quarter	Ministry of Economy (State Tax Service)	Elchin Mammadov, Rovshan Mammadov
		5. Creating a special section on the official website of the State Tax Service, enabling online application system in that section, posting necessary documents and statistical information in both Azerbaijani and English languages to improve the activities of the Tax Ombudsman Institute	01.12.2022	Ministry of Economy (State Tax Service)	Elchin Mammadov, Rovshan Mammadov
2.3.2.	Time spent on cancelling administrative checks	Comparing the term defined in Article 63 of the Tax Code (including the issue of adding specific provisions to the Tax Code regarding the extension of the period for consideration of administrative complaints to a shorter period than the period stipulated in the Law of the Republic of Azerbaijan "On Administrative Proceedings" if it is necessary) with existing standards in international practice and, if necessary, preparing and submitting proposals on optimizing those terms	30.10.2023	Ministry of Economy (State Tax Service), Ministry of Finance, Ministry of Justice	Nijat Imanov, Elchin Namazli, Anar Rzayev
2.4. Transparency of tax administration					
2.4.1.	Publishing annual reports on financial and operational indicators, official documents on future strategies and plans	1. Further improving the relevant section ("Statistics-Report") of the official website of the State Tax Service, creating "Future strategies/plans" sub-section on measures in which the State Tax Service is identified as the main executive in relevant state programs constantly updating,	01.12.2022 (improvement and creation of a special subsection)	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Nijat Imanov, Zaman Mammadov

		new measures and statistics in this field given the requirements of the subcomponent	Regular (data update)		
		2. Placing brief information on the work done on the measures for which the State Tax Service is identified as the main executor in the relevant state programs in the subsection "Future strategies/plans"	Permanent since 01.12.2022	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Nijat Imanov
		3.Placing public business plans approved by official documents of the State Tax Service and open to the public in the subsection "Future strategies/plans" on the official website of the Service	Permanent	Ministry of Economy (State Tax Service)	Rovshan Mammadov, Nijat Imanov
2.4.2.	Availability of mechanisms ensuring compliance of the staff with ethical and other social rules and integrity	Studying the international practice and improving the rules to adapt the "Rules of ethical behaviour of employees of state tax authorities" to the requirements of the modern era	01.12.2022	Ministry of Economy (State Tax Service)	Ayten Karimova, Kanan Guliyev, Nijat Imanov
2.4.3.	Publishing annual reports on assessing tax administration by an external organization (on strong external control).	Reviewing the results of the diagnostics carried out by the "Commission for the diagnosis of local tax administration under the TADAT methodology" and assessing the implementation of the given proposals and taking the necessary measures in this field	01.04.2023	Ministry of Economy (State Tax Service)	Ilkin Valiyev, Nijat Imanov, Zaur Fatizadeh, Orkhan Musayev
3. Tax burden and efficiency of tax systems					
3.1. Total tax rate					
3.1.1.	Social taxes and deductions	Developing proposals to optimize the amount of social insurance premiums paid by natural persons with low turnover and subsequently submitting them for relevant purposes	01.10.2023	Ministry of Economy (State Tax Service), Ministry of Finance, Ministry of Justice	Nijat Imanov, Natig Shirinov

3.2. Time to comply with tax regulations					
3.2.1.	Time required to complete and obtain the VAT refund procedure	1. Developing proposals on determining the criteria of taxpayers for whom flexible repayment of overpayments is intended and submitting them for relevant purposes	01.05.2023	Ministry of Economy (State Tax Service), Ministry of Finance, Ministry of Justice	Zaur Fatizade, Natig Shirinov, Nijat Imanov
		2. Adding overpayments for social insurance fees to the "Single electronic board" system created for the return of overpaid funds from the budget	01.12.2023	Ministry of Economy (State Tax Service), Ministry of Labor and Social Protection of Population, Ministry of Finance, Ministry of Justice	Natig Shirinov, Zaur Fatizadeh, Zaman Mammadov