

TWINNING NEWSLETTER

“Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and Developing Anti-Tax Avoidance Measures”

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Topics on this issue

- 8th Joint Training Course for RTAs-Brussels
- Seminar on anti-tax avoidance analysis and implementation
- 2nd Steering Committee meeting

Project Overview

This is a 24-month project which aims at achieving the introduction and implementation of an efficient Transfer Pricing Legislation and Transfer Pricing Auditing by the Ministry of Taxes (MOT) of the Republic of Azerbaijan. Further, it will support the MOT in aligning Transfer Pricing legislation with European standards and establish resources for best practice auditing processes.

Mandatory results

- ✓ Effective transfer pricing legal framework is developed in line with best EU standards.
- ✓ “Advance Pricing Agreements” and “Mutual Agreement Procedures” systems in the field of transfer pricing are developed.
- ✓ Setting up the administrative supervisory mechanisms in the field of Transfer Pricing regulation in compliance with the EU standards and increase an institutional capacity of Ministry of Taxes in this area.

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Looking back

June 2018

- Seminar on Country-by-Country Reporting (CbCR) - the legal stipulations of the OECD and EU
- Practical insight of the application of TP Guidelines through a study visit to Independent Authority for Public Revenue, Greece

Looking forward

September 2018

- Workshop on TP Rules developed by the Ministry of Taxes
- Study visit to Federal Ministry of Finance of Austria for practical insight on APA mechanism and CbCR

Our project news

8th Joint Training Course for RTAs

Mrs. Theodora Messini, Resident Twinning Adviser of the Twinning project “Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and Developing Anti-Avoidance Measures” and her BC counterpart Mr. Jeyhun Ismayilov attended the 8th Joint Training Course for Resident Twinning Advisers (RTAs) held in Brussels on 6th of July 2018.



The RTAs were trained about Institution Building/Twinning/TAIEX instruments and received particular information on Twinning projects and gained practical hands-on insights into the Twinning procedures.

Seminar on anti-tax avoidance analysis and implementation

The experts from Independent Authority for Public Revenue (IAPR) of the Hellenic Republic continue their mission within the framework of the Twinning Project.



This time the mission was headed by the MS Project Leader Dr. Aikaterini Perrou and provided the next five-day seminar on the anti-tax avoidance analysis and implementation. During the seminar, case studies on thin capitalization and intra group funding were analyzed, as well as

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Controlled Foreign Corporations (CFC) and preventing the artificial avoidance of Permanent Establishment (PE) status were discussed with the tax officers from the headquarters, regional and local offices of the Ministry of Taxes.



2nd Steering Committee Meeting

In July, the Steering Committee of the Twinning Project “Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and developing Anti-Tax Avoidance measures” gathered to discuss the following topics:

- a) approval of the Rolling Work Plan No.1; and
- b) approval of Interim Quarterly Report No.2.



The Rolling Work Plan No.1 which was drafted in close cooperation between the MS and the BC administrations comprises ten (10) Activities. Additionally, it includes two study visits to Federal Ministry of Finance of Austria and to Federal Ministry of Finance of Germany. The Steering Committee members approved the Rolling Work Plan No.1.

At the end, the members of the Committee shared their views about the first semester of the project and appreciated the results and also discussed the experienced challenges.

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