

TWINNING NEWSLETTER

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

Issue No.5, September 2018, page 1

Topics on this issue

- Workshop on updating the Transfer Pricing Rules
- Study visit to Federal Ministry of Finance of Austria for practical insight on APA mechanism and CbCR
- 3rd 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

July 2018

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

Looking forward

October 2018

- Workshop on CbCR implementation package
- Seminar for improvement of risk management and analysis procedure

Our project news

Workshop on updating the Transfer Pricing Rules Point system model for selecting TP audit cases



In September, experts from the Independent Authority for Public Revenue (IAPR) of the Hellenic Republic headed by Dr Aikaterini Perrou, Member State's Project Leader, visited Ministry of Taxes within the Twinning project. Together with their counterparts from the BC side, they worked on new amendments and additions to Transfer Pricing Rules and provided assistance in the formation (co – development) of a recommendation report with new version of current Transfer Pricing Rules and proposals for a point system model for selection of TP audit cases.



The views expressed in this publication do not necessarily reflect the views of the European Commission

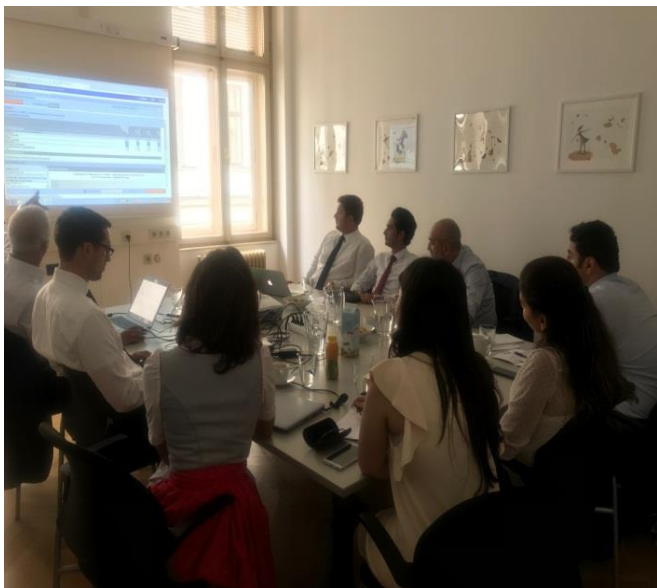


This project is funded by the European Union



Study visit to the Federal Ministry of Finance of Austria for practical insight on APA mechanism and CbCR

Tax officials of the Ministry of Taxes of the Republic of Azerbaijan were invited to a study visit to the Federal Ministry of Finance of Austria in September.



As the result of this study visit, tax officials of the Ministry of Taxes benefited from the following skills and knowledge concerning Transfer pricing:

- Handling TP issues through a centralized team;
- Databases used for comparing the enterprises for TP purposes;
- Legislation the Austrian tax auditors refer to in terms of TP;
- Requirements related to CbC Reporting;
- Risk analysis, Advance Pricing Agreement (APAs), Mutual Agreement Procedure (MAP), the Arm's length principle, and horizontal monitoring.



3rd Steering Committee Meeting

The third Steering Committee meeting of the Twinning Project "Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and developing Anti-Tax Avoidance measures" took place in the headquarters of the Ministry of Taxes. Committee members reviewed the following issues:

- a) Presentation and discussion of activities scheduled for implementation during the next period of the project;
- b) Overview and discussion of Interim Quarterly Report No.3

Further, Committee members discussed project-related results and challenges, and confirmed that achievements were accomplished as scheduled.



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