



# Tax, Legal and People Services

Our services include all aspect of Tax advisory and compliance, a full range of Legal services and, within People, payroll and HR Compliance.

We believe we differentiate ourselves by our comprehensive approach & understanding of your business. Our experienced local team, coupled with the extensive PwC global network, allows us to tailor tax, legal and people solutions to your needs.

# Tax Reporting and Strategy

The tax landscape is constantly changing. We're helping businesses manage tax in a dynamic and digital world.

We can help you to transform how your tax function delivers. To optimise your performance, we'll help you enhance organisational design and make the most of technology.

You might be looking to create 'the tax function of the future' or seeking to become a strategic partner for your business. Whatever ambition you're moving towards, we'll work together to streamline your daily activities and processes, drive innovation and maximise the value you create.

Similarly, you might be looking to harness the power of technology – and the transformational impact it can have. Or you might be facing business, regulatory and environmental disruption, and you'd like a guide to help you navigate the change. We'll work with you to design and execute a tax operations strategy and 'digital upskilling' programme to help your business make better decisions – through data clarity and real-time business intelligence.

Streamline HR processes, simplify payroll, and ensure compliance with our expert support.

At PwC Azerbaijan, we offer a comprehensive suite of services tailored to meet your diverse business needs, including Tax Compliance, Accounting, Payroll, HR Admin, Global Mobility, Tax Technology and Automation.



# Tax Reporting and Strategy

## Tax Compliance

We calculate, prepare and file the various statutory returns, which include:

- Corporate Income Tax
- Value Added Tax
- Withholding Tax
- Property Tax
- Road Tax
- Excise tax

Additionally we can support with:

- Establishing tax controls and tax functions
- Review / set up of tax within ERP systems
- Registration/deregistration for different taxes
- Tax training for your staff

## Accounting

- Initial set-up of the accounting books and records
- Day-to-day bookkeeping and preparation of the monthly and annual accounts in different ERP or accounting software
- Preparation/review of annual financial statements
- Preparation of accounting/managerial reports
- Support for year-end closing and statutory reporting
- Preparation of annual statutory financial statements, liaising with auditors
- Financial analysis of business operation
- Conversion of US GAAP/IFRS accounts to Tax accounts
- Preparation of the chart of accounts and transactions mapping from tax perspective
- Cash management and assistance with processing of the bank transfers
- Accounts Payable and Receivable roles
- Other services, e.g. reconstruction of accounting records, preparation of accounting records on the basis of other sources, etc.

## Tax Technology and Automation

Our tax technology services include

- Automation of standard processes with Analytic and Robotic process automation tools
- Development and implementation of tax technology tools
- Small automation tools for the integration of the accounting ERPs and/or bookkeeping software, tax and other internal/third party/statutory systems
- Support in ERP and tax accounting software implementation
- Standardization of processes and documents
- Assistance with mapping of the accounting data to statutory compliance reporting
- Automation of the Statutory compliance reporting preparation and accounting tasks
- Data visualization and building of interactive reporting



# Tax Reporting and Strategy

## HR admin services

- HR admin process review/set-up
- Preparation of customized/tailored templates of HR administrative documents
- Preparation of employment agreements and employees' personal files
- HR operations in the governmental e-Labour portal "EMAS"
- Preparation of HR administrative documents including orders, letters, amendments, etc.
- Preparation of monthly time schedule (timesheet) files for recording employees' presences/absences during the month
- HR admin process and Labour legislation consulting
- Coordination with the State Labour Authorities on HR matters
- Preparation of internal HR/Labour regulations/policies

## Global Mobility Services (IAS)

- Pre-assignment planning, conducting of pre- and post-departure tax consultations
- Azerbaijan individual tax return completion
- Repatriation assistance and ongoing support
- Tax registration/deregistration of physical persons
- Obtaining of tax receipts

## Payroll services

- Payroll process review/set-up and calculation
- Determination of taxable income and related taxes
- Preparation and distribution of electronic payslips
- Preparation of payroll reports for local accounting entries and HQ management
- Preparation and submission of statutory payroll reports
- Processing of net salary payments and associated payroll taxes
- Coordination with the State Authorities on payroll matters
- Payroll consulting
- Preparation of internal payroll regulations/policies



# Integrated Tax Services

Tax is relevant to most aspects of the business. To avoid surprises, tax advice should be sought before you enter into transactions. The objective is to identify both opportunities and risks.

## General tax advisory services

- Day-to-day advisory services related to the tax aspects of the business activity of the taxpayers in Azerbaijan and Azerbaijan business abroad
- Review and analysis of agreements, transactions and payments for their tax implications
- Establishing tax efficient structures for local groups, aligned to their business

## Transfer Pricing

- Prepare / localize / update transfer pricing documentation (Local File and Master File) for all types of controlled transactions;
- Prepare Benchmarking Study (BMS) reports and TP monitoring reports;
- Preparation of CbCR (country by country reports) and notifications;
- Assistance in CFC (Controlled Foreign Company) rules and filings;
- Application of APA (Advance Price Agreements) and MAP (Mutual Agreement Procedure) procedures;
- Review and justification of allocation keys for general and administrative expenses / low value adding services;

## Personal income tax management and reporting

- Individual tax planning including international tax advice and compliance assistance
- Outbound assignments
- Tax effective structuring of remuneration packages
- Development of long-term incentive plans

## Tax aspects of M&As

- Carrying out pre-acquisition or pre-sale tax due-diligence;
- Advise on necessary restructuring and ensuring tax efficient deal structuring and pre-completion guidance
- Tax analysis of sale/purchase agreements and other deal documentation
- Provision of post-deal integration services
- Assistance with implementation

## International tax planning & structuring

- Develop a tax-efficient ownership, management and operations structure, aligned with the business
- Analysis of inbound and outbound investments
- Application of double tax treaties
- Claiming tax benefits prescribed in the relevant double tax treaty

## Developing an efficient tax function

- Develop and implement a tax strategy
- Tax risk management
- A system of tax accounting and control



# Integrated Tax Services

## ⦿ Tax review services

- Review of compliance obligations
- Improve the company's tax "health" by reducing the risk of additional taxes and penalties in a future tax audit
- Minimize the tax burden through identification of material tax risk
- Identify tax saving opportunities which may decrease the effective tax rate
- Minimize potential disagreements with the tax authorities

## ⦿ Verification of income and taxes withheld at the source


- Review of income of an individual, declared and withheld at source, such as rent income, dividends, interest, royalties, as well as exempt income
- Preparation of letter of confirmation (statement), summarizing information on the source of income source and taxes withheld

## ⦿ Tax Controversy and Dispute Resolution

- Managing and responding to information requests &/or audit by tax authorities, settlement discussions
- Building "defense strategies"
- Assistance with administrative appeals and appeals before the Board of Appeal and negotiations with the tax authorities
- Cross-border dispute resolution via litigation and litigation support, mutual agreement procedures (MAPs), arbitration, and alternative dispute resolution methods



# Legal Practice

 PwC Azerbaijan has provided legal services since 2012.

These comprise full-scope legal services, supporting clients in various areas of law, including banking and finance, business, and corporate law, regulatory and infrastructure, litigation, tax and customs disputes, criminal tax investigations, legal due diligence, mergers and acquisitions.

Clients continue to trust us with their most sensitive matter. We have a process of "four eye review" and collaboration that enables us to work at the highest level.

Our Legal Practice is led by Elchin Mammadov. Elchin is dual qualified and admitted to practice as a lawyer in Azerbaijan and a solicitor in England and Wales. He is a ranked lawyer in Band 2 in Chambers and Partners. He is listed as a leading lawyer in the Hall of Fame in Legal 500 EMEA 2020 ranking, an award that recognizes the best law firms and outstanding lawyers.

In 2023 for the first time since its establishment PwC Azerbaijan's Legal Practice has made its way into solid Band 3 ranking in Chambers and Partners.

"The Legal 500" has recognised our legal practice in a Tier 2 position since 2018. The ranking is based on various criteria, highlighting practice areas and teams who are providing the most cutting edge and innovative legal advice to clients in various industries.

To date our clients consistently value the timely and precise service from our legal team. The team's effectiveness and adaptability in handling complex problems have earned well-deserved recognition. These accomplishments reflect our commitment to providing reliable service and tailored solutions.



## Legal Practice Fields:

- Antitrust and Competition
- Banking, Finance and Securities
- Corporate, Compliance and Commercial Law
- Construction & Real Estate Law
- Data Protection Law
- Dumping & Unfair Competition
- Deal Structuring
- Employment Law
- Environmental, Social & Governance (ESG)
- Entity Governance & Compliance (EGC)
- Energy, Green Energy law
- Food and Agricultural Law
- Healthcare and Pharmaceutical Law
- Information & Telecommunications Law
- Intellectual Property Law
- International Public/Private Laws
- International Trade and Customs
- International Business Reorganisations (IBR)
- Insolvency and Bankruptcy
- Immigration Law
- Legal Due Diligence
- Legal Tech
- Legal Managed Services
- Mergers and Acquisitions (M&A)
- Oil & Gas, and Mining
- Litigation and Dispute Resolution
  - Commercial Disputes
  - Corporate Disputes
  - Employment Disputes
  - International Arbitration
  - IP Disputes
  - TCDR and litigation
  - Mediation



# Our commitment to you



Dedicated team  
and service  
Continuity



Effective and timely  
communication to  
avoid surprises



Support from our  
global and regional  
PwC network



**Michael Ahern**  
Country Managing Partner of  
PwC Azerbaijan  
[michael.ahern@pwc.com](mailto:michael.ahern@pwc.com)



## Tax Reporting and Strategy, contact:

**Rena Hajiyeva**  
Senior Manager  
(+994) 12 4977405  
[rena.hajiyeva@pwc.com](mailto:rena.hajiyeva@pwc.com)



**Atakishi Nadirov**  
Senior Manager  
(+994) 12 4977405  
[atakishi.nadirov@pwc.com](mailto:atakishi.nadirov@pwc.com)



## Tax Advisory, contact:

**Gunel Sadiyeva**  
Director  
(+994) 12 4977405  
[gunel.sadiyeva@pwc.com](mailto:gunel.sadiyeva@pwc.com)



## Legal Practice, contact:

**Elchin Mammadov**  
Director  
(+994) 12 4977405  
[elchin.mammadov@pwc.com](mailto:elchin.mammadov@pwc.com)  
[leyla.sadikhova@pwc.com](mailto:leyla.sadikhova@pwc.com)



**Leyla Sadikhova**  
Senior Legal Manager  
(+99455) 5001940

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## PwC Azerbaijan office

The Landmark Office Plaza III | 12th Floor  
90A Nizami Street  
AZ1010 Baku | Azerbaijan

Tel: +994 12 497 2515  
Fax: +994 12 497 7411

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