



The list of nutrition (food) products that will substitute imported goods with domestically manufactured (processed) goods was approved by Decision No. 22 of the Cabinet of Ministers of the Republic of Azerbaijan dated January 15, 2024 (hereinafter the "Decision").

The categories of product types in the mentioned list are defined as follows:

- Table olives
- Toasts and cookies; canned fresh cakes and sweets
- Pasta, noodles, couscous and similar flour products
- Cocoa, chocolate and sugar confectionery products

A more detailed list of products included in these categories, as well as the classification codes of the corresponding product types, can be found by using the link below.

<https://nk.gov.az/az/senedler/qerarlar/idxal-mallarini-yerli-istehsal-emal-mallari-ile-ev-7719>

It is noteworthy to mention that according to the Tax Code of the Republic of Azerbaijan, taxpayers who produce/process the products on this list are granted with the following tax benefits and exemptions for a period of 7 years from the year of approval of the list (in this case, from January 15, 2024):

- exemption from profit/income tax in the amount of 50 percent of the profit/income obtained by legal entities and individuals from this activity;
- exemption from property tax for the property used by the legal entities and individuals in the production process;
- exemption from land tax for the land used by the legal entities and individuals in the production process;

According to the Decision, the tax benefits and exemptions stipulated in the Tax Code of the Republic of Azerbaijan apply only to taxpayers who manufacture and process relevant nutrition (food) products. Wrapping, packing or labeling of raw materials or finished products without undergoing any manufacturing operations is not considered manufacturing or processing of the product for taxation purposes.

The Law No. 1059-VIQD dated December 22, 2023 of the Republic of Azerbaijan "On Amendments to the Law of the Republic of Azerbaijan "On Accounting" was approved.

According to the changes provided for in the law, the accounting entities for which accounting must be carried out in electronic form are defined as follows:

- in large-sized business entities and **in medium-sized business entities in accordance with the stages** determined by the body (institution) determined by the relevant executive authority;
- in taxpayers operating within the framework of laws on production sharing, main export pipeline and other such agreements or laws, including laws on oil and gas, export-oriented oil and gas activities;
- in public legal entities that must publish annual financial statements or consolidated financial statements.

According to the Decree of the President of the Republic of Azerbaijan dated January 22, 2024, **the stages of transition to electronic accounting by medium-sized enterprises are defined as follows:**

- by persons providing financial services defined by the Tax Code of the Republic of Azerbaijan (the list of financial services is reflected in Article 13.2.14 of the Tax Code) - from January 1, 2024;
- by persons providing telecommunication services - from April 1, 2024;
- by persons engaged in the sale of oil and gas products at gas stations - from July 1, 2024;
- by the sports betting operator - from October 1, 2024.

Accounting by other medium-sized business entities that are not covered by the above clauses must be carried out in electronic form starting from January 1, 2027.