**QUESTIONS**

* 1. Concepts of the taxes, definition and differences from other mandatory payments
  2. Tax legislation of Azerbaijan
  3. Tax system of Azerbaijan
  4. Participants of taxation relationships regulated by the Tax Code
  5. Understanding of tax residency-residency rules of individuals and legal entities under Azerbaijani Tax Code
  6. Double taxation and methods for elimination of double taxation
  7. Rules for Azerbaijani source rules and its importance
  8. Source rules for dividend and interest income under the Tax Code.
  9. Source rules for the gain derived from the disposition of participation share in legal entity.
  10. Definition of disposal of goods for the tax purposes.
  11. Tax payer and tax agent
  12. Legal and economic double taxation
  13. Definition of income for the tax purposes
  14. Source rules for the income from the disposal of goods
  15. Definition of royalty and source rules
  16. Definition of a dividend
  17. If an individual does not meet the requirements of “physical presence test”, on what criteria he/she would be considered to be Azerbaijani resident.
  18. Main conditions of determining taxes
  19. Functions of the taxes
  20. Classification of the taxes based on different criteria
  21. Basis of determining taxes and collection
  22. Forms of tax collection and main differences
  23. Differences between direct and indirect taxes and classification of existing taxes on such basis
  24. Principles of taxation
  25. Desk tax audit- explain the content, time frame for desk tax audit and the procedure for issuing a tax deficiency notice.
  26. Field tax audit- explain the content, time frame for field tax audit and the procedure for issuing a tax deficiency notice.
  27. Legal grounds for commencing unscheduled (extraordinary) field tax audit.
  28. Explain the general rules for calculation of tax step by step.
  29. What is a tax credit in domestic content- please bring a specific example.
  30. On which circumstances the taxpayer may not be held liable for violation of the tax legislation?
  31. On which circumstances the taxpayer may not be found guilty for violation of the tax legislation?
  32. Explain types of income for the purposes of PIT.
  33. Describe types of non-trading income and applicable tax rates.
  34. Explain differences between contract of service (employer-employee contract) and contract for services (contractor-client contract) and why it matters for PIT purposes.
  35. Hasan works as a sales manager for a local bank. His gross salary is AZN […]. The Bank provided AZN […] loan due in a month with 1% monthly interest rate. Interest rates in interbank offerings is 5% per month. Find amount of taxable employment income and PIT for that month (ignore any gross-up to take into account net benefit). Provide a legal basis for your answer
  36. Ali works as a software engineer and his gross salary is AZN […]. Ali does not have a second job. He has also a status of internal displaced person. Find amount of taxable employment income and PIT. Provide a legal basis for your answer.
  37. Nijat works as an accountant and his gross salary is AZN […]. He does not have a second job. He has first-degree disability. He has also status of internal displaced person. Find amount of taxable employment income and PIT.
  38. Mubariz works as a security guard and his gross salary is AZN […]. He does not have a second job. He is a national hero of Azerbaijan. He has also status of internal displaced person. Find amount of taxable employment income and PIT.
  39. Farhad works as a lawyer and his gross salary is AZN […]. He does not have a second job. He has a status of war veteran of Azerbaijan. He has also status of internal displaced person. Find amount of taxable employment income and PIT.
  40. Parviz works as a financial manager for “Easy Invest” LLC and his gross salary is AZN […]. His employer also pays a monthly rent in the amount of AZN […] for his apartment directly to the landlord. He does not have a second job and he has a status of internal displaced person. Find amount of taxable employment income and PIT.Would you answer change if instead of paying the monthly rent to the landlord, the employer pays the same amount to the employee itself?
  41. Elchin works as a marketing manager for “Show and Sell” LLC and his gross salary is AZN […]. His employer also pays a monthly rent in the amount of AZN […] for his car which he only uses for personal purposes. He does not have a second job and he has a status of internal displaced person. Find amount of taxable employment income and PIT.
  42. Ruslan works as a training instructor for “SoftSolutions” LLC and his gross salary is AZN […]. His employer also provided him a membership to a gym which is near the office.
  43. The company is paying AZN […] per membership purchased. He does not have a second job and he has a status of internal displaced person. Find amount of taxable employment income and PIT.
  44. Ruslan works as a head of retails lending division in one of the local banks. He has a gross salary of AZN […]. He signed a 3 year annuity insurance agreement with local insurance company where upon his instructions his company deducts AZN […]per month and directly transfers it to the insurance company. He also has a status of internal displaced person. Find amount of taxable employment income and PIT.
  45. Ali works as a head of internal audit division in one of the local banks. He has a gross salary of AZN […]. He signed a 3 year annuity insurance agreement with local insurance company where upon his instructions his company deducts AZN […]per month and directly transfers it to the insurance company. He also has a status of internal displaced person. Find amount of taxable employment income and PIT.
  46. Akbar works as a financial advisor and his gross salary is AZN […]. He does not have a second job. He has first-degree disability. He has also status of internal displaced person. Find amount of taxable employment income and PIT.
  47. Muslim works as translator for “Easy Translate” LLC. He has a gross salary of AZN […]. His employer also provided him a membership to a gym which is near the office. The company is paying AZN […] per membership purchased. He does not have a second job and he has a status of internal displaced person. Find amount of taxable employment income and PIT.
  48. Who is a payer of CIT and what is CIT tax base for resident and non-resident taxpayers.
  49. Describe the process of determining tax deductible expenditures.
  50. Which expenditures are specifically determined as non-deductible according to the Tax Code
  51. Types of tax rates
  52. Mechanism of VAT and its main difference from the US sales tax
  53. Specifics of Azerbaijani VAT deposit account, general mechanism and main deviations from the internationally recognised VAT principles. Pros and cons of VAT deposit account.
  54. Who are VAT payers? Please describe when the taxpayers are required to register for VAT purposes.
  55. What is the tax object of VAT
  56. Please describe the difference between VAT exempt operations and VATable operations subject to 0% VAT
  57. How it affects cash flow position of VAT registered taxpayer in case of provision of VAT exempt supply and VATable supply at 0% rate?
  58. Definition of VAT according to Azerbaijani Tax Code
  59. Requirements of mandatory VAT registration and effective date of VAT registration
  60. VAT rate and how value of transaction of VAT purposes is determined
  61. VAT exempt operations. Please show at least 5 VAT exempt operations
  62. VATable operations subject to 0% VAT. Please indicate at least 5 VAT operations
  63. Which expenditures are included into the value/cost of the fixed assets and which are not
  64. VAT taxable point
  65. Computation rules and procedure for submission of VAT return
  66. Computation rules and procedure for submission of CIT return
  67. Computation rules and procedure for submission of simplified tax return
  68. Computation rules and procedure for submission of simplified tax return
  69. Taxing non-residents deriving income from Azerbaijani sources. Please explain how non-residents are taxed and provide few example of withholding tax rates.
  70. Definition of financial leasing
  71. How financial leasing arrangement is taxed.
  72. Describe accrual basis and quasi-cash basis of accounting for taxable point of input and output VAT
  73. Time of incurrence of recognition of expenditures for accrual basis taxpayer.
  74. Time of recognition of income for accrual basis taxpayer.
  75. Time of recognition of income for cash basis taxpayer.