1. **QUESTION # 1**

**The entity is the resident company that has retail business in Azerbaijan. The company purchased goods with the total price 25,000 AZN (excluding VAT) and sold these goods to the client with the total sales price 50,000 AZN (excluding VAT). Calculate the total VAT amount payable to the budget?**

**2. QUESTION # 2**

**The entity (Solution LTD) is the resident company providing consulting services in Azerbaijan. For the last 12 month the total amount of the revenue related to the commercial activity is less than 200,000 AZN. In January 2018 Solution LTD provided consulting services to the clients for 50,000 AZN. In February 2018 Solution LTD received 20,000 AZN for the provided services. Calculate the total tax amount payable to the budget for the mentioned services.**

**3. QUESTION # 3 Definition of Legal entity**

1. **QUESTION # 4 Definition of Resident-Physical Person:**
2. **QUESTION # 5 Definition of Resident legal entity**
3. **QUESTION # 6 Definition of Permanent establishment.**
4. **QUESTION # 7 Definition of Representative Offices and Branches**
5. **QUESTION # 8 Definition of Withholding of tax on income of non-residents at the source of payment**
6. **QUESTION # 9 Definition of Income from an Azerbaijani Source**
7. **QUESTION # 10**

**The resident company Solution LTD received consulting services from the non-resident company Morgan Enterprise Co. For the provided services the Morgan Enterprise Co. issued invoice to Solution LTD with the total amount 80,000 USD. Solution LTD paid requested amount in December 2017. Exchange rate: 1 USD =1.7 AZN. Calculate the total tax amount payable to the budget by Solution LTD and total amount receivable by Morgan Enterprise LTD for the provided services.**

1. **QUESTION # 11 Financial sanctions for decreasing taxes and other tax violations**

**QUESTION # 12**

1. **Employees of the non-resident company (Enron Enterprise) spent 120 days in Azerbaijan in 2016. The Enron Enterprise has the construction project in Azerbaijan that should be finished in 2020. The total price of the construction project is 20,000,000 AZN. Budgeted costs- 15,000,000 AZN. The actual expenses incurred in 2017 – 3,000,000 AZN. Calculate the taxable revenue, taxable profit and Corporate Income Tax for 2017. Please clarify if the Enron Enterprise had to open office in Azerbaijan in 2016.**
2. **QUESTION # 13 Definition and calculation of the taxable base of Corporate Income Tax**
3. **QUESTION # 14 Give the example of annual amortization rates as per depreciated assets**
4. **QUESTION # 15 Submission and payment deadlines for submission of the Corporate Income Tax return**
5. **QUESTION # 16 Concept of Value Added Tax**
6. **QUESTION # 17 Definition of the VAT Taxpayers and obligation of VAT Registration.**
7. **QUESTION # 18 Income and deductions under long-term contracts**
8. **QUESTION # 19 Limitation of Interest Deduction from the Taxable Revenue ( Limitation of inclusion of interest expenses into Deductible costs)**
9. **QUESTION # 20**

**The total amount of Corporate Income Tax of Norton MMC for 2016 is 25,000 AZN and for 2017 is 50,000 AZN. What is the payment schedule of the Corporate Income Tax in 2017? Calculate the final Corporate Income Tax amount payable by 31 March 2018.**

1. **QUESTION # 21 Withholding Tax percentage and calculation method.**
2. **QUESTION # 22 Simplified Tax Payers**
3. **QUESTION # 23 Subject for taxation of Simplified Tax and Simplified Tax rate**
4. **QUESTION # 24 Taxable base of Property Tax**
5. **QUESTION # 25 Definition of Direct and Indirect taxes.**
6. What is the definition of rotator and business visitor according to the Shah Deniz PSA tax protocol?
7. What is the PIT taxation difference between rotator and business visitor?
8. Please calculate the Personal Income Tax amount for rotator that staid in Azerbaijan for xxx days, and business visitor that staid in Azerbaijan for xx days. Gross salary of rotator and business visitor is x,xxx AZN.
9. What is the percentage of WHT in ACG and ShahDeniz PSA ? What is the reason of applying these percentages? When we should apply WHT according to the ACG PSA protocol?
10. BP received services from Navision LLC and the Branch of Scarloff Inc. in Azerbaijan. The total amount of services provided by Navision LLC under Shah Deniz PSA is xxx AZN (xx % of services were provided outside of Azerbaijan territory). The total amount of services provided by the Branch of Scarloff Inc. in Azerbaijan under ACG PSA is xxx AZN (xx % of services were provided outside of Azerbaijan territory). Please calculate total amount of WHT liability.
11. Which company can be considered as the PSA participant? What is the legal definitions of PSA participants according to the ShahDeniz PSA? What is the definition of foreign subcontractor in PSA activity?
12. What is the Tax Audit? Which type of Tax Audit do you know? What is the period of the tax audit and what is the deadline for responses to the questions issued by tax auditors? What Ministry of Tax should do before starting of the tax audit?
13. What is the definition of Excise tax? What is common between Excise tax and VAT?
14. What is the definition of Excises Tax Payer?
15. What is taxable base of Excises tax? How Excises tax should be calculated?
16. Please describe the structure of VAT Invoice. What is the purpose of creation of VAT invoice?
17. What is Reverse Charge VAT? What is the reason of applying Reverse Charge VAT in Azerbaijan?

What is the percentage of Reverse Charge VAT? When RCVAT should be calculated?

1. The UK based Braklys Consulting Co. provided consulting services to the Resident entity. In order to provide marketing consulting services employees of Braklys Consulting Co. visited Azerbaijan for 10 calendar days. Services were provided on xx March 2018 and the invoice for provided services was issued on xx March 2018. Invoice was paid by Resident entity in April 2018. The total fee for marketing services is xx AZN. Please calculate RC VAT amount payable to the budget. When it RCVAT should be declared? Please calculate RC VAT claimable from budget. When RCVAT should be claimed back?
2. Non-Resident has the track that should pass the territory of Azerbaijan. Track has x axis and will be in the territory of Azerbaijan for x weeks. Also, the track has the dangerous cargo. The total weight of cargo is xx kq. The length of track’s route in Azerbaijan is xxx km. On the base of available information please calculate the applicable tax amount payable by Non-Resident.
3. Non-Resident has the passenger car that should pass the territory of Azerbaijan. The car has the engine with the volume 3,000 cubic sm. The carwill be in the territory of Azerbaijan for 2 month. Please calculate the applicable tax amount payable by Non-Resident.
4. Non-Resident has the bus that should pass the territory of Azerbaijan. The bus has 25 sits. The buswill be in the territory of Azerbaijan for 3 weeks. Please calculate the applicable tax amount payable by Non-Resident.
5. Alfred Oil LLC- the resident entity has the network of gasoline stations. Alfred Oil LLC purchased

10,000 liters of AI 92 gasoline from the local oil refinery factory for 0.1 AZN per liter and 20,000 liters of AI 95 (Premium) gasoline from Bundestag Gas AG (Germany entity) for 0.2 USD per liter. The trade price for AI 92 is 0.6 AZN and AI 95 is 0.7 AZN. For importing of the AI 95 gasoline Alfred Oil paid 5,000 AZN custom duties to the Custom Department. Please calculate applicable tax amount payable to the budget.

1. Why Non-Residents should pay Road Tax in Azerbaijan? What is the economic substance of this tax?
2. What is the difference between Contractor, Operator and Foreign Sub-contractor in Shah-Deniz and ACG PSA?
3. Who is the land taxpayer? What is the taxable base for land tax?
4. Which land tax exemptions do you know?
5. What is the difference of the dates of Excise taxable operations between products produced in Azerbaijan and imported goods? What is the Excise taxable base for gasoline produced in Azerbaijan?
6. The Branch of JTI Co imported to Azerbaijan 10,000 boxes of cigarettes (20 cigarette per box) and 100 passenger cars with the engine volume 1,500 cubic sm. Please calculate taxes applicable on the base of available data.
7. What is the difference in calculation of WHT according to the Tax Code and PSA tax protocol?
8. What is the percentage of Social Insurance Contribution payable by employee and employer to the budget? What is the deadline for submission of the reports to the State Social Protection Fund? What should be reflected in the report to the State Social Protection Fund? Which amount reflected in the report should be paid to the budget?
9. What is the definition of rotator and business visitor according to the ACG PSA tax protocol?
10. The Branch of Luxor Corp in Azerbaijan has project in Shah-Deniz PSA. John Adams (employee of Luxor Corp) was assigned to Azerbaijan. Number of days of his presence in Azerbaijan: \_\_\_days in January 2017, \_\_days in March 2017, \_\_\_ days in April 2017, \_\_\_ days in July 2017. His gross salary amount is AZN \_\_\_\_. Please calculate Personal Income Tax amount for the period January – July 2018.
11. Albatros LLC has \_\_\_employees. Gross salary of 10 employees is AZN \_\_\_\_ and gross salary for remaining \_\_ employees is \_\_\_\_\_. Alsbaros LLC doe not have projects in oil and gas sector. Pease calculate Personal Income Tax amount for April, May and June. Also, please calculate Social Insurance Contribution amount payable by employee and employer for these \_\_\_ month period.
12. Kimberly Clark LLC (LLC) had AZN \_\_\_\_\_\_ debt to Social Insurance Fund as of beginning of \_\_ Quarter 2017. In April, May and June 2017 the LLC had monthly Social Insurance Contribution AZN \_\_\_\_, AZN \_\_\_\_ and AZN \_\_\_\_\_ respectively. Considering that in \_\_\_Q 2017 the LLC has paid AZN \_\_\_\_\_ of Social Insurance Contribution to the budget please calculate Social Insurance Contribution amount payable as of the end of \_\_Q 2017.
13. The Branch of JTI Co imported to Azerbaijan \_\_\_\_\_\_ liters of wine and \_\_\_\_\_ passenger cars with the engine volume \_\_\_\_\_\_ cubic sm. Please calculate taxes applicable on the base of available data.
14. Resident LLC produced \_\_\_\_\_\_cigarettes on 31 January 2017. All produced cigarettes were delivered to LLC’s warehouses on 1 February 2017. The LLC delivered \_\_\_\_\_\_ cigarettes on 15 February and \_\_\_\_\_ cigarettes on 5 March 2017.

Please calculate excise taxes for January, February and March 2017. What is the Excise taxable base for gasoline imported to Azerbaijan?

1. Which of the following taxes should be paid by tax agent: Corporate Income Tax, Withholding Tax, VAT, Reverse Charge VAT, Personal Income Tax, Road Tax, and Excise Tax?
2. Please identify Direct and Indirect taxes from the following list : Corporate Income Tax, Withholding Tax, VAT, Reverse Charge VAT, Personal Income Tax, Road Tax, and Excise Tax?
3. A&A consulting company, established in US, received USD \_\_\_\_\_\_ for the consulting services provided to the entities engaged into business activity in Azerbaijan. All consulting services were provided in Washington DC. Breakdown of USD \_\_\_\_\_\_: 1) USD \_\_\_\_\_ is the total fee for consulting services provided to BP Azerbaijan in regards to Shah-Deniz PSA 2) USD \_\_\_\_\_\_ is the total fee for consulting services provided to local LLC in regards to the activity in telecommunication sector. Please calculate total WHT amount applicable for these operations and give explanation of WHT calculation.
4. In 2015 the local established LLC ,engaged into the provision of transportation service, has bought \_\_\_\_\_busses. Each bus has \_\_\_\_\_ sits with engine volume \_\_\_\_\_ sq.sm. All vehicles will be dismissed from business operations in 2020. Please calculate total amount of Road Tax for \_\_\_\_ years and explain calculations.

1. Should BP Azerbaijan withheld WHT from the payment to the local LLC for the services received in Azerbaijan? Please explain the reasons.
2. Please select Permanent Establishment examples from the following list: a) the Representative office of Non-Resident in Azerbaijan b) the Branch of local LLC in Baku c) the long-term contraction activity managed by Non-resident in Azerbaijan d) For provision of the consulting services Non-resident’s employee spent \_\_\_\_ days in Azerbaijan during the period July 2015- August 2017.
3. Who is final payer of Excise tax and VAT? Please give explanation.
4. Please explain the nature of WHT. What is the purpose of creation of WHT ?
5. Why RCVAT payer has the right to claim back paid RCVAT amount ? What is the reason of that?
6. What is the difference in calculation of the taxable base of Corporate Income Tax and Simplified Tax? Which method (cash or accrual) can be used in calculation of the Corporate Income Tax and Simplified tax?
7. The resident entity has the passenger car that should pass the territory of Azerbaijan. The car has the engine with the volume \_\_\_\_\_ cubic sm. The car will be in the territory of Azerbaijan for \_\_\_ year. Please calculate the applicable tax amount payable by Non-Resident.
8. The US based ABC Consulting Co. provided consulting services to Non-Resident entity in regards to the activity related to Azerbaijan Republic. For provision of the consulting services employees of ABC Consulting Co. visited Azerbaijan and Georgia for \_\_\_\_ and \_\_\_calendar days respectively. Services were provided on 25 April 2018 and the invoice for provided services was issued on 30 April 2018. Invoice was paid by Resident entity in April 2018. The total fee for consulting services is \_\_\_\_\_\_USD. Please calculate RC VAT amount payable to the budget. Please explain calculation of RCVAT.

69. When Financial sanctions should be applied? Is it possible to calculate finance sanctions and penalties during the desk tax audit?

70. Employee of the non-resident company (Enron Enterprise) spent \_\_\_\_days in Azerbaijan in 2016. The Enron Enterprise were involved into construction project in Azerbaijan that should be finished in 2020. The total price of the construction project is \_\_\_\_\_\_\_\_\_ AZN. Budgeted costs- \_\_\_\_\_\_\_\_\_\_ AZN. The actual expenses incurred in 2017 – \_\_\_\_\_\_\_\_\_ AZN. Calculate the taxable revenue, taxable profit and Corporate Income Tax for 2017.

71. The Branch of Statoil Company in Azerbaijan received consulting services from the non-resident company Morgan Enterprise Co. All services were provided outside of Azerbaijan and were related to SD PSA. For the provided services the Morgan Enterprise Co. issued invoice to Statoil with the total amount \_\_\_\_\_\_\_ USD. The Statoil company has paid requested amount in December 2017. Exchange rate: 1 USD =1.7 AZN. Calculate the total tax amount payable to the budget by the Branch of Statoil in Azerbaijan and total amount receivable by Morgan Enterprise LTD for the provided services.

72. The total amount of services provided to the client by local LLC in 2017 is AZN \_\_\_\_\_\_\_\_\_.Total amount of cash received from client in 2017 is AZN \_\_\_\_\_\_\_\_\_ (AZN \_\_\_\_\_\_\_\_\_ is for received services and AZN \_\_\_\_\_\_ is the advance payment for the services to be provided in 2018). Please give taxable revenue according to the accrual and cash method.

73. Please give the list of submission and payment deadlines of Corporate Income Tax in 2017-2018 taxable year for the company registered as the VAT payer in July 2017.

74. What is the deadline for submission of Simplified Tax returns and deadline for the payment of Simplified tax ? In January, February and March 2017 the local LLC has delivered goods to client with the amount AZN \_\_\_\_\_, AZN \_\_\_\_\_, AZN \_\_\_\_\_\_\_respectively. In addition, for provided goods LLC received AZN \_\_\_\_, AZN \_\_\_\_ and AZN \_\_\_\_\_\_\_ in January, February and March 2017 respectively. Please calculate Simplified Tax amount for 1Q 2017. The LLC has activity only in Baku.

1. Which VAT exemptions do you know ?