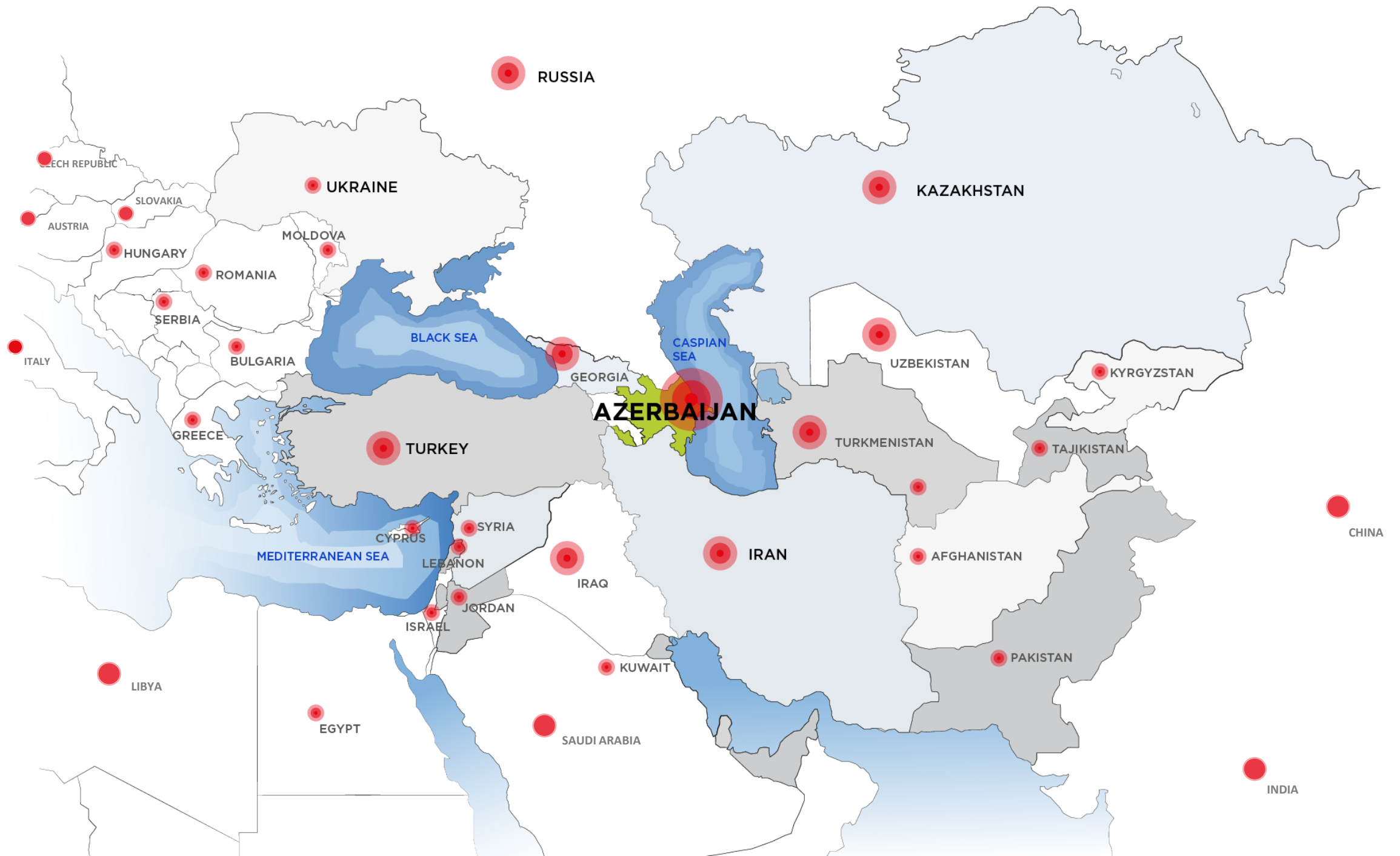




**AFEZ**  
ALAT FREE ECONOMIC ZONE





# ESTABLISHMENT OF AFEZ

**The establishment and successful development of Alat Free Economic Zone is an important part of the general policy of the President of the Republic of Azerbaijan and our government, to develop a knowledge-based and internationally competitive economy in Azerbaijan, which will allow our country:**

- **to become a highly competitive participant in international economic relations;**
- **with diversified and export-oriented economy, creating high-added value;**
- **based on a world class attractive business environment, with modern energy, transportation, and logistical infrastructure.**



# **AFEZ LEGISLATION**

- **The Law of The Republic of Azerbaijan on The Alat Free Economic Zone**
- **AFEZ Internal Regulations**



# **AFEZ LEGISLATION**

**To clearly demonstrate precedence of AFEZ legislation and exclude possibility of any conflicts in the interpretation of the provisions of AFEZ legislation and base economy legislation, relevant amendments were made in more than 80 base economy laws and this process is continuing.**



# **AFEZ LEGISLATION**

**AFEZ law clearly declares that Base Economy Authorities**

- **Shall not have any jurisdiction in the AFEZ and**
- **Shall not have any power to regulate or oversee the activities of AFEZ Authority or AFEZ Legal Entities (i.e., businesses established by investors), owners, creditors, employees of these legal entities.**



# LEGAL BASIS

## AFEZ Internal Regulations

- **COMMERCIAL REGULATIONS**
- **FINANCIAL MARKETS REGULATIONS**
- **CUSTOMS REGULATIONS**
- **HEALTH AND SAFETY CONSTRUCTION REGULATIONS**
- **HEALTH AND SAFETY OCCUPATIONAL REGULATIONS**
- **HEALTH, SAFETY, SECURITY AND ENVIRONMENTAL LEGISLATION**
- **DISPUTE RESOLUTIONS REGULATIONS**
- **COMPETITION REGULATIONS**
- **UTILITIES REGULATIONS**
- **FEES RULES**
- **ACCOUNTING & FINANCIAL REPORTING REGULATIONS**
- **ELECTRONIC SIGNATURE AND ELECTRONIC TRANSACTIONS REGULATIONS**
- **COMPANY REGULATIONS**
- **LICENSING REGULATIONS**
- **REAL PROPERTY REGULATIONS**
- **INTELLECTUAL PROPERTY REGULATIONS**
- **ANTI - MONEY LAUNDERING REGULATIONS**
- **ULTIMATE BENEFICIAL OWNERSHIP REGULATIONS**
- **MIGRATION REGULATIONS**
- **INSOLVENCY REGULATIONS**
- **COMPANY ADMINISTRATION REGULATION**
- **TAX REGULATIONS**
- **EMPLOYMENT REGULATIONS**
- **PLANNING AND BUILDING REGULATION**



# BENEFITS FOR INVESTORS

- Exemption from value-added tax, withholding tax and any other corporate tax;
- Exemption from customs duties and taxes on import to the free zone and export from the free zone;
- No personal income tax for local personal (if the monthly salary does not exceed 8000 manat - approximately 4700\$);
- No social security payments and no other similar taxes and payments for foreign skilled personnel;
- No restrictions on foreign ownership.





# BENEFITS FOR INVESTORS

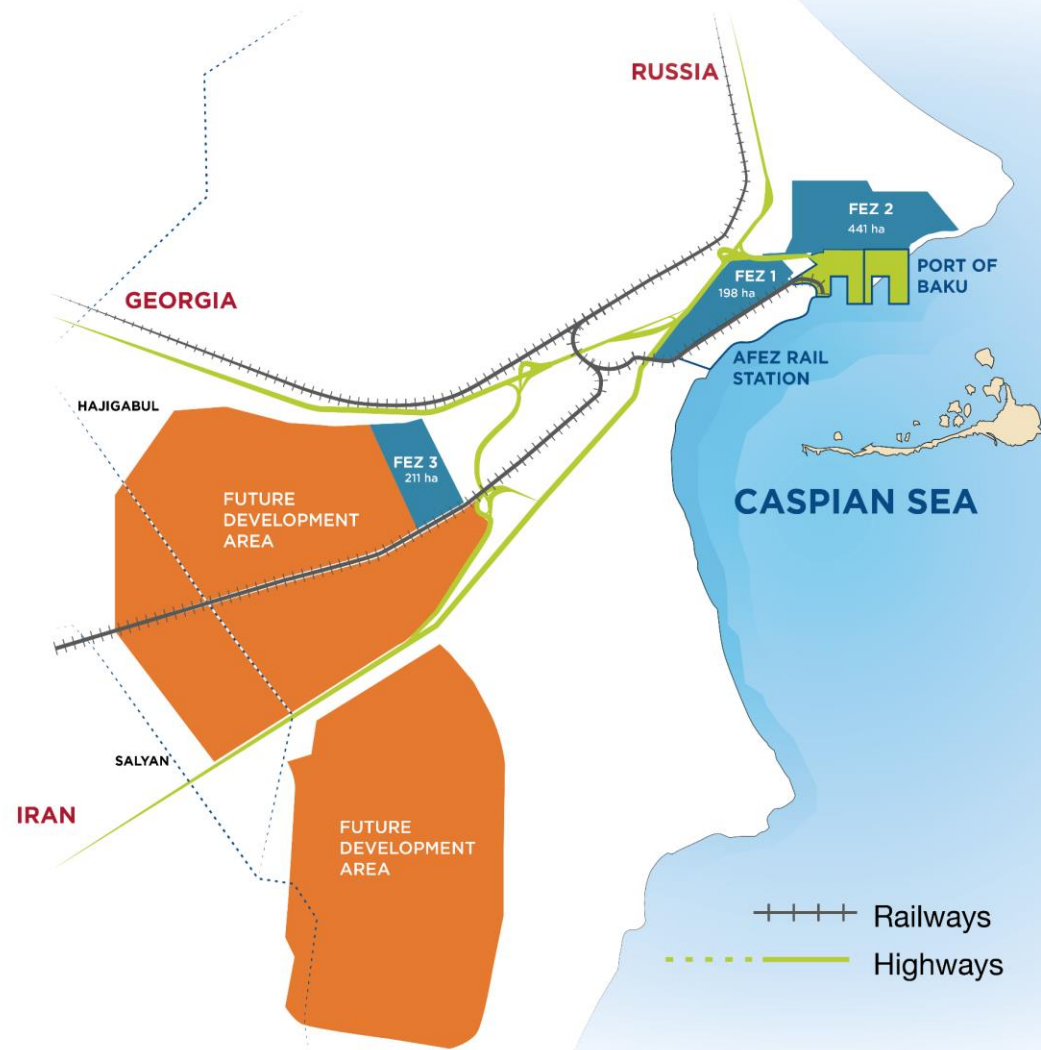
- No requirement for a local partner;
- No restrictions on currency transactions or profit repatriation;
- Investors' property is immune from any nationalization, expropriation measures or any other restrictions on private ownership;
- Full protection of intellectual property rights;
- Assistance in finding local skilled personal;
- On-site one-stop shop business appraisal, licensing, permitting, etc. (without any additional approvals or permits from central or local authorities);
- Independent regulatory body.



# WHAT WILL AFEZ DO?

**AFEZ will serve the needs of investors who will:**

- **engage in high-value added and export-oriented manufacturing and internationally traded services, using innovative technologies and approaches to work in accordance with best international standards.**



# CONSTRUCTION PROCESS

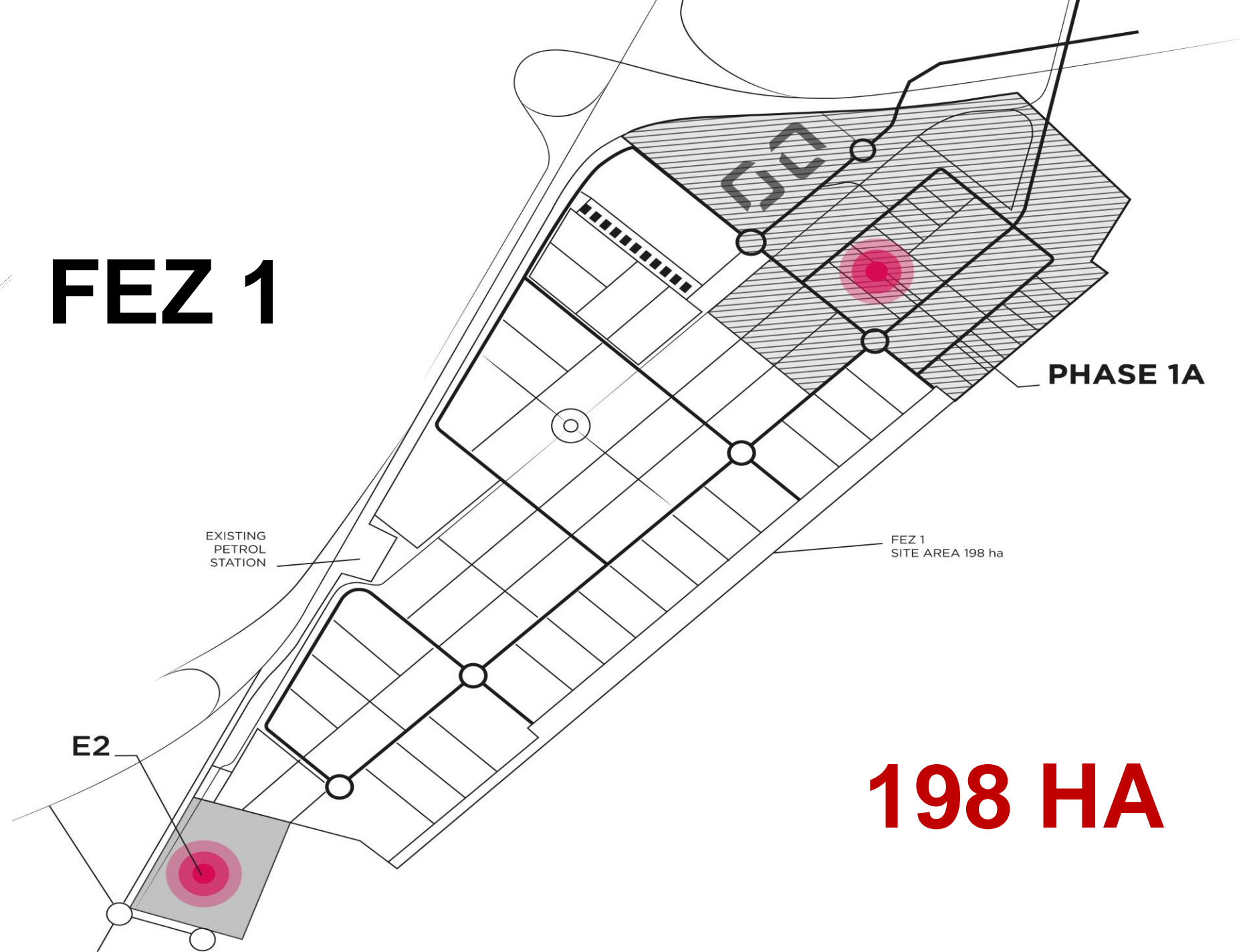


# CONSTRUCTION PROCESS

**Government “granted the Free Zone Authority an irrevocable, unfettered and perpetual right of use over the Free Zone Land and only Free Zone Authority is entitled to use, lease or otherwise dispose of the Free Zone Land”.**



# FEZ 1



**198 HA**



July 2022

Advance office  
accommodations for  
investors

One-stop-shop

Investor offices

Customs Plaza







# CONCLUDING REMARKS

**I'm absolutely sure that AFEZ project will be successful only if our clients will be convinced that we are doing everything necessary to ensure their successful and profitable activities in AFEZ.**



# CONCLUDING REMARKS

**Finally, we have two goals and both of them are crucial:**

- **First, we will create the best possible business environment for AFEZ clients, so that they have all they need to successfully establish and develop their businesses in AFEZ and at the same time we will support expansion and growth of businesses of our clients into the future.**





# CONCLUDING REMARKS

**Secondly, we want to demonstrate to the people of Azerbaijan what the transition to an internationally competitive and knowledge-based economy means in practice, to support and assist our entrepreneurs, our business entities to learn and practice a new business culture, new technologies, generate innovative enterprises to create real value for the economy and the people of Azerbaijan.**



# CONTACTS

## ENGAGE WITH US NOW

If you consider your Company to be one of those to benefit from locating in AFEZ, or just wish to be kept informed of developments as they proceed, please make use of the contact options to let us know and we will ensure that you are kept fully up to date on the opportunities available in AFEZ.

**website:**

**[www.afez.az](http://www.afez.az)**

**email:**

**[office@afez.az](mailto:office@afez.az)**

**phone:**

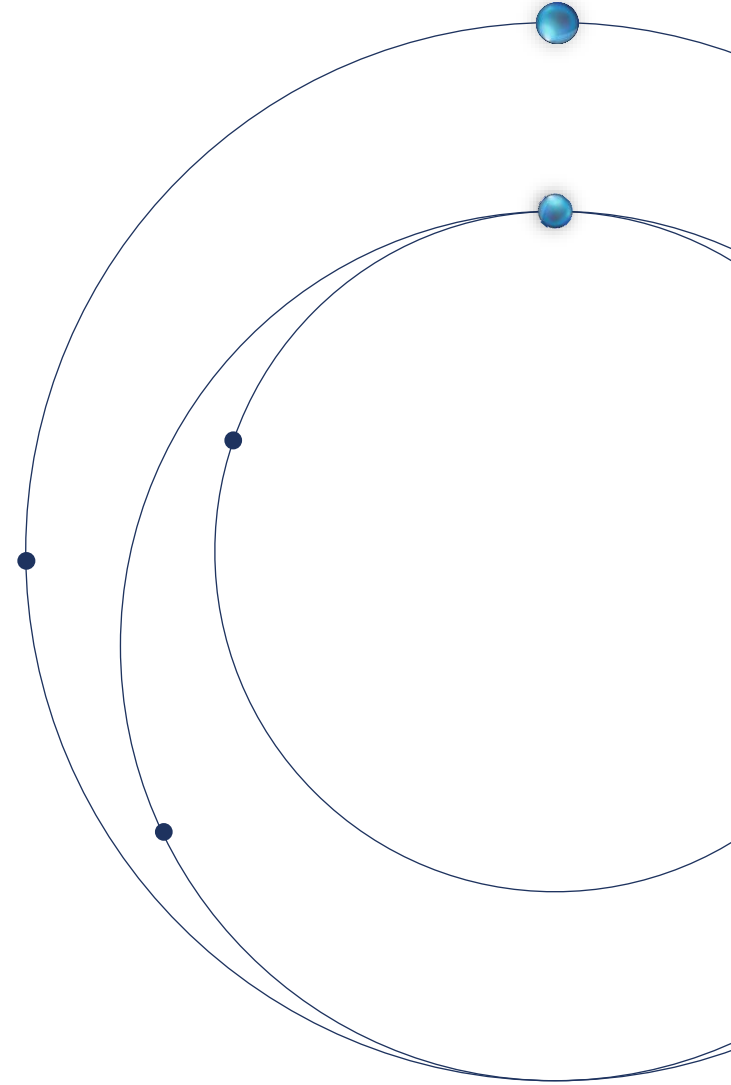
**+994 12 437 93 13  
+994 12 505 93 13**

**office:**

**152 HEYDAR ALIYEV  
AVENUE, CHINAR  
PLAZA, 14'TH FLOOR,  
AZ1029 AZERBAIJAN,  
BAKU.**



# THANK YOU !





**AFEZ**  
ALAT FREE ECONOMIC ZONE



# TAXATION

**Income of local personnel will be taxed at the following rates:**

- if the amount of monthly income is below 8000 AZN (~4700 \$) personal income tax is 0%
- if the amount of monthly income exceeds 8000 AZN (~4700 \$) personal income tax is calculated as 14% from the amount of monthly income that exceeds 8000 AZN



# **SOCIAL SECURITY PAYMENTS**

**All social security payments for local personnel are obligatory.**



# DISPUTE RESOLUTION

- **Activities of AFEZ dispute resolution bodies and all dispute resolution procedures are regulated by AFEZ legislation.**
- **Under AFEZ legislation, AFEZ Authority shall establish one or more dispute resolution bodies.**