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## **Azerbaijan**

*Local stock exchange*

*Baku Stock Exchange*

*<http://www.bfb.az>*

### **Rules for listed filings**

#### **IFRS required or permitted for listed companies?**

IFRS or the National Accounting Standards (prepared based on 2011 version of IFRS) is required for consolidated and/or separate financial statements (whichever is applicable) of listed companies and for public interest entities ("PIE"). The Ministry of Finance has yet to clarify the details on the definition of PIE. In addition to that, the Ministry of Finance is in the process of identifying other entities (other than the ones described above) that would be required to publish their audited financial statements in accordance with IFRS.

#### **Version of IFRS**

IFRS as published by the IASB is translated to IFRS as adopted locally. There could be differences in the timing of approval. Currently all IFRS that were published as of the end of 2011 have been translated.

#### **Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?**

IFRS is permitted for foreign listed companies.

### **Rules for statutory filings**

#### **Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?**

IFRS or the National Accounting Standards (prepared based on 2011 version of IFRS) is required for consolidated and/or separate statutory financial statements (whichever is applicable). IFRS for SMEs is permitted.

#### **Version of IFRS**

IFRS as published by the IASB is translated to IFRS as adopted locally. See above.

#### **In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?**

No

### **IFRS conversion plans**

#### **Plans for converging**

IFRS is required for listed companies and statutory reporting from 2010. Adoption of IFRS for SMEs is planned and timing is to be clarified by the Ministry of Finance. In addition, the Ministry of Finance is currently undertaking a project with the World Bank

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to extend the implementation of IFRS in Azerbaijan. The project includes preparing IFRS-based accounting textbooks for higher education institutions.

### **Other expected changes**

The Ministry of Finance will likely require small entities to follow IFRS for SMEs as issued by the IASB. Exact timing has not been announced.

### **Other useful websites**

Central Bank of Azerbaijan (banking regulatory body)

**<http://www.nba.az/>**

Ministry of Finance

**<http://www.maliyye.gov.az/>**

### **Tax information**

#### **Type of tax regime**

Independent. Taxable profit is determined by the taxation rules whereas statutory profit is determined by IFRS rules.

#### **Plans for IFRS converging as the basis of tax reporting**

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.