

AGREEMENT

between Tajikistan and

The Republic of Azerbaijan

for the avoidance of double taxation and prevention of tax evasion on income and capital

Republic of Tajikistan and the Republic of Azerbaijan is guided by the desire to develop and strengthen economic, scientific, technical and cultural cooperation between the two countries have decided to conclude this Agreement, "the avoidance of double taxation and prevention of tax evasion on income and capital" and agreed on the following:

Article 1

Persons to whom the Agreement applies

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2

Taxes covered by the Agreement

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State or a territorial-administrative subdivisions or local authorities, irrespective of the manner in which they are levied.

2. Taxes on income (profit) and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital gains.

3. K currently in taxes covered by this Agreement, in particular:

a) in the Republic of Tajikistan:

- Income tax on individuals (tax income individuals);

Tax on income (profit) tax;

Tax on real estate;

(Hereinafter referred to as "Tajik tax");

b) in the Republic of Azerbaijan:

- A tax on corporate income;

- Income tax on individuals;

- Property tax; and

- Land tax

(Hereinafter referred to as "Azerbaijani tax")

4. This Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of this Agreement in addition to or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their taxation laws.

Article 3

Common definitions

1. The purposes of this Agreement, unless the context otherwise requires:

a) The term "Tajikistan" means the Republic of Tajikistan, and when used in a geographical sense includes its territory, internal waters, the airspace above them, where the Republic of Tajikistan may exercise sovereign rights and jurisdiction, including the rights to use subsoil and natural resources in accordance with international where rights and laws of the Republic of Tajikistan;

b) the term "Azerbaijan" means the territory of the Republic of Azerbaijan, including the sector of the Caspian Sea (lake) belonging to the Republic of Azerbaijan and the airspace above the Republic of Azerbaijan, where the Azerbaijan Republic exercises sovereign rights and jurisdiction over the subsoil and seabed of natural resources, as well as any another space, which is defined or can be defined as such in the future in accordance with international law and national legislation of the Azerbaijan Republic;

c) the terms "a Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Tajikistan and the Republic of Azerbaijan.

d) the term "person" means an individual, a company and any other body of persons;

e) the term "company" means any body corporate or any other organization that is considered for tax purposes as a body corporate;

f) the term "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

h) the term "national" means;

- Any individual possessing the nationality of a Contracting State;

- Any legal person, partnership or association deriving its status corresponding to the applicable law of a Contracting State.

i) the term "competent authority" means:

- Tajikistan - Ministry of Finance or his authorized representative;

- In the Republic of Azerbaijan - Ministry of Finance and Ministry of Taxes;

2. The application of this Agreement by a Contracting State, any term in it indefinitely, unless the context otherwise requires, have the meaning which it has at the moment the law of that State concerning the taxes to which this Agreement applies, any meaning under the relevant tax laws that State prevailing over a meaning given to the term by other laws of that State.

Article 4

Resident

1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, in accordance with the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or other criteria of this nature, as well as includes that State and any administrative-territorial subdivision or a local authority. However, the term does not include any person who is liable to tax in that State in respect only of income from sources in that State or against capital situated therein.

2. If, in accordance with the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

a) it is considered a resident of the State in which he has a permanent home; if he has a permanent home available in both States, he shall be deemed a resident of the State in which it has closer personal and economic relations (center of vital interests);

b) if the State in which he has his center of vital interests can not be determined, or if he has not a permanent home available to him in one of these States, it is considered a resident of the State where he usually resides.

c) if he has an habitual abode in both States, or if it usually does not live in any of them, it is considered a resident of the State, a national of which it is a party;

d) if he is a national of both Contracting States, or is a national of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. If, in accordance with the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it is considered to be a resident only of the State in which its place of effective management.

Article 5

Permanent representation

1. The purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which wholly or partly carried on business of an enterprise.

2. Term "permanent establishment" includes especially:

a) a place of management;

b) Division;

c) an office;

d) a factory;

e) a workshop;

f) building, structure or vessel, or any other place used for the exploration of natural resources;

g) deposits, oil or gas well, a quarry or any other place of extraction of natural resources;

h) pastures, agricultural or forest land.

3. By the term "permanent establishment" also includes:

a) a building site or construction, installation or assembly project or related control or advisory activities only if the site, project or activities continue for more than 6 months;

b) the provision of services, including consultancy services company, through its employees or other working staff employed now for these purposes, but only if activities of that nature are carried out (for the same or connected project) in the aggregate more than 90 calendar days during any 12 month period.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall not include:

a) the use of facilities solely for the purpose of storage or display of goods or merchandise belonging to the enterprise;

b) maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display;

c) maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information;

e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise of any other work preparatory or auxiliary character;

f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs a) to e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person - other than an agent of an independent status to whom paragraph 7 applies acting in a Contracting State on behalf of an enterprise of the other Contracting State is considered that the enterprise has a permanent establishment in the first-mentioned State in respect of any activities which that person is engaged in the enterprise, if that person has, and habitually exercises the authority to conclude contracts on behalf of the Company (except for the activities of the entity, which is limited to activities referred to in paragraph 4, as despite the fact that

This activity is carried out through a fixed place of business, based on the provisions of this paragraph is not a permanent place of business a permanent establishment.

6. Notwithstanding the preceding provisions of this Article an insurance enterprise of a Contracting State, except in the case of reinsurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other State or insures risks arising therein through a person besides agent of an independent status to whom paragraph 7 applies.

7. Enterprise is not considered to have a permanent establishment in a Contracting State merely because it carries on business in that State through a broker, general commission agent or any other, with an independent status, provided that such persons are acting in the ordinary course of business.

8. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself make one of either company a permanent establishment of the other.

Article 6

Income from immovable property

1. Gains derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry)

situated in the other Contracting State may be taxed in that other State.

2. Term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the said property. This term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights provided by the legislation on land ownership, usufruct of immovable property and rights to variable or fixed payments as consideration for the development or the right to work, mineral deposits, sources and other natural resources: marine, aircraft shall not be regarded as immovable property.

3. Provisions of paragraph 1 of this Article shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. Provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of the enterprise and to income from immovable property used for the performance of independent personal services.

Article 7

Business Profits

1. Profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise is not engaged in business in the other Contracting State through a permanent establishment therein. If the company is engaged in the above business activities, the profits of the enterprise may be taxed in the other State but only to the extent to which it relates:

a) to that permanent establishment;

b) the sale in that other State of goods (works, services) of the same or similar nature as the goods (works, services) sold through that permanent establishment; or

c) to another carried out in that State business of the same or similar nature as the activities carried out through that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State to the profits of the permanent establishment belongs profits which it might have made if it had been marginalized or separate enterprise engaged in the same or similar activities under the same or similar conditions and acted quite independently of the company, a permanent establishment to which it is.

3. In determining the profits of a permanent representation allowed as deductions expenses which are incurred for the purposes of the permanent establishment, including executive and general administrative expenses, whether incurred these costs in the State in which the permanent establishment, or anywhere else.

4. If a Contracting State to determine the profits attributable to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, is a common practice, nothing in paragraph 2 of this Article does not preclude a Contracting State to determine the profits to be taxed by such an apportionment as is usually accepted; the method of apportionment should produce results consistent with the principles contained in this Article.

5. No profits shall be credited to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for your own business.

6. For purposes of the preceding paragraphs, the profits attributable to the permanent establishment shall be determined annually by the same way, unless there is good and sufficient reason to change the established order.

7. Where the profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

Article 8

International transportation

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that

State.

2. For the purposes of this Article, profits from the operation of ships or aircraft in international traffic also includes profits earned:

a) from irregular rental in international traffic of ships and aircraft without crew;

b) on the content, use or rental of containers (as well as trailers and related equipment for the transport of containers) in international traffic

if such activities are complementary or irregular (random) character in relation to the operation of ships or aircraft in international traffic.

3. Provisions of paragraphs 1 and 2 shall also apply to profits from participation in a pool, a joint business or an international organization associated with the operation of vehicles.

Article 9

Associates

1. In case where:

a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,

and in both cases in the commercial and financial relations between these companies are made or imposed conditions which differ from those which would be made between independent enterprises, then the profits which would have accrued to one of them, but by reason of those conditions, have not accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that State, and taxes accordingly profits of an enterprise of the other Contracting State, which has been subjected to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first- if relations between the two enterprises had been those which would have been made between independent enterprises, then that other State shall make an appropriate adjustment in the amount of tax charged on those profits. When making adjustments to other provisions of this Convention shall be adequately taken into account, and the competent authorities of the Contracting States shall if necessary consult each other.

Article 10

Dividends

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may also be taxed in the Contracting State of which, the company paying the dividends and in accordance with the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the total amount of the dividends.

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Term "dividends" as used in this Article means income from shares, founders or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation as income from shares, in accordance with the laws of the State of which the company making the distribution.

4. Provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or a fixed base. In such case the provisions of Article 7 or 14, depending on the circumstances.

5. In the case where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State and the company's undistributed profits can not levy a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

Article 11

Interest

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such interest may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the interest is a resident of the other Contracting State, the tax so charged shall not exceed 10 percent of the total amount of interest .

3. Notwithstanding the provisions of paragraph 2, interest arising in a Contracting State and derived and are in actual possession of the Government of the other Contracting State, its administrative-territorial units of local government, the Central Bank of that other State or any financial or similar institution, wholly owned by the Government of that other State and the interest paid on debt guaranteed by the Government of that other State shall be exempt from tax in the Contracting State in which they arise.

4. The term "interest" as used in this Article means income from debt-claims of every kind, whether secured by mortgage and carrying a right to participate in the debtor's profits, and in particular, income from government securities and bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalties for late payment shall not be regarded as interest for the purpose of this article.

5. Provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises through a permanent establishment situated therein, or performs in that other State independent personal services located there fixed base, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment or a fixed base. In this case, depending on the circumstances, the provisions of Article 7 or Article 14.

6. Interest shall be deemed to arise in the State when the payer is a resident of that State. If, however, the person paying the interest, regardless of whether it is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest borne by such permanent establishment or fixed base, it is considered that such interest to arise in the State in which the permanent establishment or fixed base.

7. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and how or a third person, the amount of interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner percent, in the absence of such relationship, the provisions of this Article shall apply

only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard to the other provisions of this Agreement.

Article 12

Royalty

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the total amount of the royalties.

3. Term "royalties" in this Article means payments of any kind received as a consideration for the use of or the right to use any copyright of literary, artistic or scientific work, including software, films and films or tapes for radio and television broadcasting, patent, trademark, design or model, plan, secret formula or process, or industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.

4. Provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise through a permanent establishment situated therein, or performs in that other State independent personal services located there fixed base, and the right or property in respect of which the royalties are paid is actually connected with such permanent establishment or a fixed base. In such case the provisions of Article 7 or 14, depending on the circumstances.

5. Royalties shall be deemed to arise in the State when the payer is that State itself, its administrative-territorial division, a local authority or a resident of that State. If, however,

person paying the royalties, regardless of whether it is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the need to pay the royalties was incurred, and such royalties are borne by such permanent royalty establishment or

fixed base , it is considered that such royalties arise in the State in which the permanent establishment or fixed base.

6. If, as a result of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of royalties relating to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard to the other provisions of this Agreement.

Article 13

Income from disposal of property

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 of this Agreement, and situated in the other Contracting State may be taxed in that other State.

2. Revenues resident of a Contracting State from the alienation of shares or rights of the company, whose assets are mainly directly or indirectly related to immovable property situated in the other Contracting State may be taxed in that other State.

3. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State and situated in the other Contracting State for the purpose of providing independent personal services, including gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base, may be taxed in that other State.

4. Gains from the alienation of ships or aircraft operated in international traffic by an enterprise of a Contracting State or of movable property pertaining to the operation of such vessels and aircraft shall be taxable only in that State.

5. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 of this Article shall be taxable only in the Contracting State of which the alienator is a property.

Article 14

Independent personal services

1. Income derived by a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless he has regularly available to him a fixed base in the other Contracting State for the purpose of this activity. If he has such a fixed base, the income may be taxed in the other State but only so much of them as is attributable to that fixed base.

2. Term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists, accountants and auditors.

Article 15

Dependent Personal Services

1. Taking into account the provisions of Article 16, 18, 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in connection with an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State . If the employment is so exercised, the consideration received in connection with this, may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year, and

b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration in connection with an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting State of which the enterprise operating the ship or aircraft.

Article 16

Remuneration of Directors

Directors' fees and other similar payments derived by a resident of a Contracting State as a member of the board of directors or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.

Article 17

Artistes and sportsmen

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theater, motion picture, radio or television, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State may be taxed in that other State.
- 2 . Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or athlete himself but to another person , that income may , notwithstanding the provisions of Articles 7, 14 and 15 , be taxed in the Contracting State , in which the activities of the entertainer or athlete.
- 3 . Provisions of paragraphs 1 and 2 of this Article shall not apply to the income of actors and sportsmen from activities conducted in a Contracting State if the visit to that State wholly or

mainly supported by public funds of one or both of the Contracting States , their territorial-administrative subdivisions or local authorities . In this case , the said income shall be taxable only in the Contracting State in which the entertainer or the sportsman is a resident .

Article 18

pensions

Subject to paragraph 2 of Article 19 , pensions and other similar remuneration paid to a job in the past employment to a resident of a Contracting State shall be taxable only in that State.

Article 19

public service

1. A) Salaries, wages and other similar remuneration , other than a pension , paid by a Contracting State or a territorial administrative subdivision or a local authority thereof to an individual in respect of services rendered to that State or of its administrative-territorial units , or local authority shall be taxable only in that State.

b) However , such salaries , wages and other similar remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who :

(i) is a national of that State; or

(ii) did not become a resident of that State solely for the purpose of such a service .

2 . A) Any pension paid by, or administrative-territorial subdivision or a local authority thereof to an individual in respect of funds services rendered to this

State or its administrative-territorial subdivision or a local authority shall be taxable only in that State.

b) However, such pension shall be taxable only in the other Contracting State if the individual is a resident and national of that State .

3 . Provisions of Articles 15, 16 and 18 shall apply to salaries , wages and other similar remuneration , and to pensions in respect of services rendered in connection with a business carried on by a Contracting State or of its administrative-territorial subdivision or local authorities .

Article 20

students

Payments which a student , graduate student or trainee who is or was immediately before visiting a Contracting State to a resident of the other Contracting State and situated in the first-mentioned State solely for the purpose of training and education , and intended for residential purposes , training and education, not be taxed in that State, provided that such payments arise from sources outside that State.

Article 21

other income

1. Items of income of a resident of a Contracting State, wherever arising, which are not addressed in previous articles, shall be taxable only in that State.

2 . Paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income being a resident of a Contracting State, carries on business in the other Contracting State through a permanent situated therein , or performs in that other State independent personal services from a fixed base situated therein and the right or property in respect of which the income is actually connected with such permanent establishment or fixed base . In such case the provisions of Article 7 or 14 , depending on the circumstances.

Article 22

capital

1. Capital represented by immovable property , as defined in Article 6 , which is owned by a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.

2 . Capital represented by movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or by movable property pertaining to a fixed base available to a resident

a Contracting State and situated in the other Contracting State for the purpose of performing independent personal services , may be taxed in that other State.

3 . Capital represented by ships and aircraft operated in international traffic by an enterprise of a Contracting State or of movable property pertaining to the operation of ships and aircraft , shall be taxable only in that State.

4 . All other elements of capital of a resident of a Contracting State shall be taxable only in that State .

Article 23

Method of elimination of double taxation

1. Where a resident of the Republic of Tajikistan derives income or owns capital which , in accordance with the provisions of this Agreement , may be taxed in the Azerbaijan Republic , Republic of Tajikistan will:

- Deduction from the tax on the income of that resident, an amount equal to the tax paid in Republic of Azerbaijan;

- Deduction from the tax on the capital of that resident, an amount equal to the capital tax paid in the Azerbaijan Republic .

The amount of credit , however, shall not exceed the amount of tax calculated in accordance with the laws of the Republic of Tajikistan on such income or capital.

2 . Where a resident of the Republic of Azerbaijan in Tajikistan receives income or owns capital which, under the Articles of this Agreement , may be taxed in the Republic of Tajikistan , the amount of tax on that income or the property is paid in the Republic of Tajikistan shall be deducted from the amount of tax levied on that person in the Azerbaijan Republic concerning income and assets .

However, the sum so deducted shall not exceed the amount of tax calculated on that income or property in accordance with the law and procedure of taxation of the Azerbaijan Republic .

3 . If , pursuant to the provisions of this Agreement , the resulting income or capital of a resident of a Contracting State is exempt from tax in that State , such State may nevertheless, in calculating the amount of tax on the remaining income or capital of that resident, take into account the exempted income or capital .

Article 24

Non-discrimination

1. Nationals of a Contracting State shall not be subjected in the other Contracting State other or more burdensome taxation or any requirement connected therewith , than the taxation and connected requirements to which are or may be subjected to nationals of that other State in the same circumstances , in particular

respect to residence . This also applies , notwithstanding the provisions of Article 1, to persons who are not residents of one or both of the States cook a little longer .

2 . Stateless persons who are residents of a Contracting State shall not be subjected in any Contracting State other or more burdensome taxation or any requirement connected therewith

, than the taxation and connected requirements to which are or may be subjected to national officer of the State in the same circumstances, in particular with respect to residence .

3 . Taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favorable than the taxation levied on enterprises of that other State carrying on the same activities in that other State . This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances , reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it provides to its own residents .

4 . Except where the provisions of paragraph 1 of Article 9, paragraph 7 of Article 11 , or paragraph 6 of Article 12 apply, interest, royalties and other disbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall , for the purposes of determining the taxable profits of such enterprise , be deductible under the same conditions as if they had been paid to a resident of the first -mentioned State . Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State shall , for the purposes of determining the taxable capital of this enterprise, be deductible under the same conditions that contracted to a resident of the first -mentioned State .

5 . Enterprises of a Contracting State, the capital of which is wholly or partly owned by one or more residents , or directly or indirectly controlled by one or more residents of the other Contracting State shall not be subjected in the first -mentioned State other or more burdensome taxation or any requirement connected therewith , than the taxation and connected requirements to which are or may be subjected to other similar enterprises of the first-mentioned State .

6. Notwithstanding the provisions of Article 2, the provisions of this Article shall apply to taxes of every kind and description.

Article 25

Mutual Agreement Procedure

1. If a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Agreement , he may, irrespective of the remedies provided by the domestic law of those States , present his case to the competent authorities Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24

this Agreement , the competent authorities of the Contracting State , a national of which it is . The application must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement .

2 . Competent authority shall endeavor, if it to be justified and if it is unable to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation not in accordance with the Agreement . Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting States.

3 . Competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement. They may also consult with each other in order to avoid double taxation in cases not provided for by the Agreement.

4 . The competent authorities of the Contracting States may communicate directly with one another , including the establishment of a joint commission , whose members may themselves be the competent authorities or their representatives , to resolve issues arising in the sense of the preceding paragraphs .

Article 26

exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is necessary to implement the provisions of this Agreement or the domestic law of the Contracting States in respect of any taxes applied on behalf of the Contracting States , their territorial administrative subdivisions or local authorities, in the extent to which the taxation thereunder not contrary to the Agreement . Exchange of information is not restricted by Article 1. Any information received by a Contracting State shall be treated in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution , or the determination of appeals in relation to the taxes referred to in the first sentence of this article. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2 . Under no circumstances should the provisions of paragraph 1 be construed so as to oblige any Contracting State :

a) carry out administrative measures derogating from legislation and administrative practice of that or of the other Contracting State ;

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade , business, industrial , commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy.

Article 27

Members of diplomatic missions and consular services

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions and consular services of the general rules of international law or on the basis of special agreements .

Article 28

Changes and additions

By mutual agreement, the competent authorities of the Contracting States , this Agreement may be amended and supplemented , separate protocols , which are an integral part of this Agreement and shall enter into force in accordance with the provisions of Article 29.

Article 29

Entry into force

1. Contracting States shall notify each other in writing through diplomatic channels of the completion of internal procedures necessary for the entry into force of this Agreement .

2 . This Agreement shall enter into force on the date of the last of the above notifications and its provisions apply in both Contracting States :

a) in respect of taxes withheld at source on income paid from 1 - January or after January 1 of the calendar year following the year in which this Agreement enters into force;

b) in respect of other taxes on income and on capital chargeable for any taxable periods beginning on January 1 or after January 1 of the calendar year following the year in which this Agreement enters into force.

Article 30

termination

This Agreement is concluded for an indefinite period , however, each Contracting State may terminate the Agreement by giving written notice to his desire , through diplomatic channels , not later than 6 months before the end of any calendar year after the expiration of five years after the date of entry into force this Agreement.

In such case , the Agreement shall cease to have effect:

a) in respect of taxes withheld at source on income paid on January 1 or after January 1 of the calendar year following the year in which it was served with notice of termination of the Agreement;

b) in respect of other taxes on income and on capital imposed for any taxable periods beginning on January 1 or after January 1 of the calendar year following the year in which it was served with notice of termination of the Agreement.

IN WITNESS WHEREOF , the representatives of both Contracting States, authorized by the properly signed this Agreement .

Done in the City _

"....."

200 , in two

original copies, each in Tajik , Azeri and Russian languages , all texts being equally authentic. In case of discrepancy in the interpretation of the Agreement , the text in Russian will prevail .

For the Republic of Tajikistan Republic of Azerbaijan