

Identification	Subject (code, title, credits)	ACC 340: Principles of Taxation - 3KU credits (6ECTS)
	Department	Economics and Management
	Program type	Bachelor
	Term	Fall, 2022
	Instructor	Jeyhun Mammadov
	E-mail:	jeyhun.mammadov@khazar.org
	Classroom/hours	18:30 -21:00
	Office hours	By appointment
Prerequisites	ACC 210 Principles of Accounting	
Language	English	
Compulsory/Elective	Compulsory	
Required textbooks and course materials	<p><i>Core study materials:</i></p> <ol style="list-style-type: none"> 1. Tax Code of the Azerbaijan Republic 2. Alan Melville, “Taxation: Finance Act 2020”, 26th edition, Pearson Education Limited, 2021. 3. ACCA Taxation (TX-UK), FA2020 4. Dieter Endres, Christoph Spengel, “International Company Taxation and Tax Planning”, Wolters Kluwer Law & Business, 2015 5. PSA Tax Protocol on Corporate profit taxes 6. Double Tax Treaties between AR and other countries <p><i>Supplementary materials and textbooks:</i></p> <ol style="list-style-type: none"> 7. Taxation clause of Production Share Agreements and Host Government Agreements in Azerbaijan 8. OECD (2017 edition), Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, OECD Publishing, Paris. https://doi.org/10.1787/tpg-2017-en 9. OECD (2017), International VAT/GST Guidelines, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264271401-en 10. C.Spengel, A.Oestreicher, “Common Corporate Tax Base in the EU”, Mannheim and Göttingen, 2011 11. OECD (2019), Model Tax Convention on Income and on Capital 2017, OECD Publishing, Paris. https://doi.org/10.1787/g2g972ee-en 12. Commentaries on the Articles of Model Tax Convention 13. Kevin Holmes, “International Tax Policy and Double Tax Treaties”, 2nd revised edition (or 1st -2007 edition), IBFD, 2014. 	
Course outline	This course establishes a bridge to close the gap between traditional business administration courses, which pay a little attention to the role of taxation, and taxation courses, which normally ignore the broad business operating context. The course provides with a framework to understand the general taxation principles, possible tax planning opportunities and international principles of tax strategy.	
Course objectives	The course introduces students to the subject of taxation, tax practices, procedures; provides the core knowledge of the underlying principles of different taxes; introduces major technical and legal areas of taxation as they affect the activities of both individuals and businesses locally and globally. The introduction section of the syllabus discusses the rationale behind the tax system, and the functions of taxation.	

	<p>The syllabus then considers the separate taxes that managers would need to have a knowledge of to make a business decision, such as income tax from employment and non-employment income, the corporation tax liability of companies, the national insurance contribution liabilities of both employers and employees, the value added tax liability of businesses, and other tax liabilities, such as mineral extraction tax, road tax, land tax and property taxes for both individuals and companies.</p> <p>Having covered the core areas of theoretical knowledge on taxes, students should be able to determine the tax base for the computation of specific taxes; compute the tax liabilities; explain the basis of their calculations and applied exemptions or credits; apply tax calculation techniques for determination of individual and company liabilities of taxes through a different business and personal scenarios and situations.</p> <p><i>Generic Objectives of the Course:</i></p> <ul style="list-style-type: none"> The goal of this course is to provide students with both a basic theoretical knowledge and working knowledge of taxes and taxation procedure. The course focuses on the various taxes applied in our country, taxation principles applied in the legislation, and international taxation issues. By the end of the course, students should be able to identify and analyze the various taxes and taxation issues that can be involved in business decision making. <p><i>Specific Objectives of the Course:</i></p> <ul style="list-style-type: none"> The course is designed to introduce base taxation principles of individuals and businesses to the students. It will deepen students' knowledge of taxation system comparing the local tax system with the international taxation principles. We will discuss different tax regimes and all applicable taxes in Azerbaijan that would furnish the students to make business decisions. To furnish the students with the critical way of thinking about taxes. 		
Learning outcomes	<p>A goal of the course is to provide students with an approach of thinking about taxes very broadly considering theoretical aspects too. By the end of the course the students should be able:</p> <p><i>Generic Outcomes:</i></p> <ul style="list-style-type: none"> To understand the general taxation principles of individuals and businesses. Understand impact of taxes on business decision making. To understand core elements of domestic taxation system. Understand international taxation principles and recent developments in combatting tax evasion. <p><i>Specific outcomes:</i></p> <ul style="list-style-type: none"> To be able to determine and solve various tax problems based on a well-grounded reasoning. Ability to think critically about current tax reform proposals. To be able to develop analytical skills by solving problems. To conduct a research on specific taxes in a given jurisdiction. 		
Teaching methods	Lecture		✓
	Group discussion		✓
	Case analysis		✓
Evaluation	Methods	Date/deadlines	Percentage (%)
	Midterm Exam		30
	Class Activity		5
	Attendance		5

		Quizzes	Two optionally chosen days	10
		Group Practice		10
		Final Exam		40
		Total		100
Policy		Students are required to attend all classes to be able to follow all lectures. Participation in class discussions will play a vital role in assessment of students’ activity rates. Assessment will be based on how active students are in the class discussions by answering the instructor’s questions, and initiating to ask subject related questions, and providing their views and insights on respective matters Two (2) quizzes will be held to evaluate factual standing points of students in terms of the covered topics. A main purpose of carrying out quizzes is to enforce students’ focuses on covered lectures and provide students experience in solving several types of theoretical and numerical questions. Quizzes will contain questions mainly in open format to evaluate students’ theoretical knowledge and critical thinking. A group practice will be held to determine students’ ability to understand basic taxation elements and rules, such as a tax base, applicable rates, provided exemptions, tax calculation mechanism, etc. in different jurisdictions. A group assignment paper is expected to be based on on-desk research.		
Tentative Schedule				
Week	Date/Day (tentative)	Topics		Reading notes
1		Introduction / General Principles of Taxation and Comparison of it with the Taxation System in Azerbaijan		Lecture notes 1
2		Taxation of Individuals – general principles		Lecture notes 2
3		Taxation of individuals in Azerbaijan – PIT and Social Insurance Contributions		Lecture notes 2
4		Corporate Income Tax principles		Lecture notes 3
5		Corporate Income Tax in Azerbaijan		Lecture notes 3
6		Practice session / QUIZ 1		
7		Value Added Tax and Excise Tax (part 1)		Lecture notes 4
8		Value Added Tax and Excise Tax (part 2)		Lecture notes 4
9		Mid-term Exam		
10		Property and Land Taxes		Lecture notes 5
11		Group Practice		
12		Mining Tax and Road Tax / QUIZ 2		Lecture notes 6
13		Production sharing agreements and their taxation regimes		Lecture notes 7
14		Transfer Pricing concept and methods		Lecture notes 8
15		Review session		
16		Final Exam		

