

Identification	Subject (code, title, credits)	FIN 855: Taxation 3 KU/6ECTS
	Department	Economics and Management
	Program type	Graduate
	Term	Spring 2023
	Instructor	Jeyhun Mammadov
	E-mail:	jeyhun.mammadov@khazar.org
	Classroom/hours	18:30 -21:00 on Mondays
	Office hours	By appointment
Prerequisites	ACC 801 Financial Accounting	
Language	English	
Compulsory/Elective	Compulsory	
Required textbooks and course materials	<p>Core study materials:</p> <ol style="list-style-type: none"> 1. The Tax Code of the Azerbaijan Republic (2000) http://ask.org.az/wp-content/uploads/2018/11/The-Tax-Code-of-the-Republic-of-Azerbaijan.pdf (“TCoAR”) 2. Alan Melville (2021), “Taxation: Finance Act 2020”, 26th edition, Pearson Education Limited (“TFA2020”) 3. Emile Woolf International (2020) ACCA Taxation (TX-UK), (“ACCATaxation”) 4. Dieter Endres, Christoph Spengel, (2015) “International Company Taxation and Tax Planning”, Wolters Kluwer Law & Business (“ICT&TP”) 5. PSAs’ Tax Protocol on Corporate profit taxes, https://www.taxes.gov.az/az/page/hasilatin-pay-bolgusu-haqqinda-sazise-dair-protokollar-psa (“PSAProt”) 6. Double Tax Treaties between AR and other countries, https://www.taxes.gov.az/az/page/ikiqat-vergitutmanin-aradan-qaldirilmasina-dair-beynelxalq-sazisler (“DTT”) <p>Supplementary materials and textbooks:</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 (“OECD TP Guide”) 9. OECD (2017), International VAT/GST Guidelines, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264271401-en 10. C.Spengel, A.Oestreicher (2011) “Common Corporate Tax Base in the EU”, Mannheim and Göttingen 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 (2010) https://www.oecd.org/berlin/publikationen/43324465.pdf 13. Kevin Holmes, (2014) “International Tax Policy and Double Tax Treaties”, 2nd revised edition (or 1st -2007 edition), IBFD 	
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	<p>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> <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		✓
	Others		
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	<p>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</p> <p>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.</p> <p>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.</p>		
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	ICT&TP - Chapter 1 Taxation of Income, Wealth and Consumption; TFA2020 – Chapter 1. Introduction to the UK tax system; TCoAR – Chapter I. General Provisions
2		Taxation of Individuals – general principles	ICT&TP – 2.Taxation of Individuals (Personal Income Tax); TFA2020 – 2. Introduction to income tax
3		Taxation of individuals in Azerbaijan – PIT and Social Insurance Contributions	TCoAR - Chapters 8 and 10; Law on Social Security

4		Corporate Income Tax principles	ICT&TP – Chapter 3. Taxation Of Business Profits; TFA2020 – Part3. Corporation Tax, Chapters 23, 24
5		Corporate Income Tax in Azerbaijan	TCoAR – Chapters 9, 10, 17
6		Corporate Income Tax reporting and compliance requirements Practice session / QUIZ	TCoAR – Chapter 10 (Articles 149-152), Chapter 17 (Article 221)
7		Value Added Tax and Excise Tax (part 1)	ICT&TP – Chapter 6. Value-added tax ; International VAT/GST Guidelines – Chapter 1., Chapter 2 (para A., B., C.)
8		Value Added Tax and Excise Tax (part 2)	TFA2020 – Chapters 29, 30; TXoAR – Chapters XI, XII
9		Mid-term Exam	
10		Property Tax principles	TCoAR – Chapters XIII
11		Land Tax principles.	TCoAR – Chapter XIV
12		Mining Tax and Road Tax	TCoAR – Chapters XV, XVI
13		Production sharing agreements and their taxation regimes / Group work/ Quiz	PSA Protocol on profit tax;
14		Transfer Pricing concept and methods	OECD TP Guide – Chapter I (pp. 33-38), Chapter II (pp.97-118, 133-135) TFA2020 – Chapter 32 ; TCoAR – Articles 13, 14, 14-1, 16 ;
15		Tax accounting, Differed Tax principle. Review session	TFA2020 – Chapter 25; TCoAR – Articles 130-136
16		Final Exam	