

## Editor-in-chief

## Dr. Vusal Musayev

*PhD in Economics* University of London

www.vusalmusayev.com dr.vusal.musayev@ereforms.org

> AZERBAIJAN ECONOMIC REFORMS REVIEW



## Digital Trade Hub of Azerbaijan

President of the Republic of Azerbaijan issued a Decree to expand export potential and competitiveness of non-oil sector with special emphasis on preservation of its high growth rate, harmonize legal and infrastructure basis of existing electronic commerce transactions, further strengthen the leading position of the Republic of Azerbaijan as a key digital trade hub in the region.

The Decree sets several important steps to be taken towards more easy and favorable e-commerce for businesses. According to the Decree, a section "Azerbaijan Digital Trade Hub" will be created in the <a href="https://www.azexport.az">www.azexport.az</a> portal, an internet portal that proved itself and enables foreign business partners of the Azerbaijani entrepreneurs to prepare and sign documents and agreements electronically, and perform electronic services in real-time.

Thus, a platform is created to receive electronically all types of permits based on "Single window" principle, which are required to carry out export transactions of exporters, who submit goods produced in the Republic of Azerbaijan using e-commerce.

The Decree sets measures necessary to achieve mutual recognition of electronic signatures with various countries, which will facilitate e-commerce transactions executed by entrepreneurs, and pursue promotion of "ASAN signature", one of innovative products of the country accepted at global level.

In order to implement responsibilities set by the Decree, the following has been identified as measures for implementation: study of different markets, sector-based analysis of legislation of potential export partners, provision of practical and consulting services to entrepreneurs.

The Decree creates concrete tasks for public bodies involved in foreign trade, which is characterized as an important step towards increased transparency and accountability in the field of entrepreneurship development.

Expected tendencies include promotion of "ASAN signature" and recognition of electronic signature, including positive impact caused by digital platforms on the increase of indicators of foreign investment flow.

It is also planned to improve legislation,

where necessary, in support of the above activities. Apart from the abovementioned, the Center for Analysis of Economic Reforms and Communication (hereinafter referred to as "Center") was appointed as an institution responsible for establishment of the section "Digital Trade Hub of Azerbaijan". Besides, the Centre will purse introduction of "Single window" platform for issuance of electronic permits.

In addition, the existing <a href="www.azexport.az">www.azexport.az</a> internet portal (hereinafter referred to as "Portal") will enable real-time data exchange among integrated public information resources, making payment for realized commerce transactions, and widely spread electronic wallet will be established for this purpose.

The Decree also sets integration of electronic signatures into the Portal. It should be noted that the Decree attaches special attention to the protection of data and sets separate tasks to ensure the protection.

One of the unique attributes of the portal will be its arrangement based on public–private partnership principle and corporate governance standards

The Decree tasks respective bodies to facilitate the issuance of electronic signature, including "ASAN signature" to non-residents through diplomatic representative offices and consulates of the country, and ensure mutual recognition of electronic signature, including the "ASAN signature" with foreign countries.

The respective information will be placed in websites of the diplomatic representative offices and consulates of the Republic of Azerbaijan, as specified by the Decree, and regular promotional measures will be taken in this respect.



The created electronic services envisages to integrate information resources of the State Customs Committee into the portal. These electronic services will facilitate real-time completion and submission of export customs declarations, as specified by agreements concluded through the portal. Besides, the electronic services will enable real-time cancellation of the outcome of customs control.

Once the Portal is operationalized, the Ministry of Economy of the Republic of Azerbaijan will be able to receive electronically via the Portal the applications submitted for receipt from public budget of payment for export promotion. The Ministry of Economy will also be commissioned to integrate, to certain extent, the issuance of permits, their duplicates and attachments, as well as re-documentation, suspension or cancellation of permits using "Licenses and permits" portal.

The Ministry of Taxes will also integrate into the Portal its information resources in order to facilitate access to information on Taxpayers, Identification Number of physical and legal persons during export transactions made through the Portal.

In order to accelerate financial transactions, the Chamber for Control of Financial Markets of the Republic of Azerbaijan was commissioned to issue upon the electronic request of the Ministry of Economy of the Republic of Azerbaijan the information on authenticity of document certifying transfer of amount to the bank account of exporters in the Republic of Azerbaijan actuality, attached to application submitted for payment of costs of export promotion via the Portal. The information should be issued within one working day from the date of receipt of the application.

Provision of additional professional support to entrepreneurs was also reflected by the Decree. According to the Decree, in the "ASAN Service" centers, entrepreneurs will be provided services, such as consulting services in preparation of business plans and contracts for exporters, assistance in study of foreign markets and in implementation of promotional activities.

In addition, Tthe Cabinet of Ministers of the Republic of Azerbaijan was commissioned to take necessary measures to bring national legislation regulating electronic commerce into line with the requirements of international standards and to join UN Convention on Use of electronic communication in international agreements to improve legal framework on mutual recognition of electronic signature, including "ASAN Signature" certificate at international level.

Furthermore, several government bodies were tasked to issue permits, their duplicates and supplements, as well as re-document, suspend, restore and cancel permits using the "Licenses and permits" portal. Besides, the Centre for Analysis of Economic Reforms and Communication was tasked to issue permits, their duplicates and supplements, as well as redocument, suspend, restore and cancel permits based on introduction of "Single Window" system until the "Licenses and permits" portal becomes operational.



