



**ORTA ANADOLU
İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ**

Sayı: 70430465-TİM.OAİB.GSK.İDARİ.2022/2751-10466
Konu: Azerbaycan-AFEZ

Ankara, 07/11/2022

SİRKÜLER (G-2022)

Sayın Üyemiz,

Türkiye İhracatçılar Meclisi (TİM)'den alınan bir yazıda, Azerbaycan'ın Ankara Büyükelçiliği'nden tarafımıza ulaşan yazıya atıfla, Azerbaycan Cumhuriyeti Cumhurbaşkanı Sayın İlham Aliyev tarafından 22 Mayıs 2020 tarihinde imzalanan kararname ile Hazar Denizi kıyısındaki Alat yerleşim alanında ticaret ve lojistik merkezi olan AFEZ (ALAT Free Economic Zone-Alat Serbest Ekonomi Bölgesi) kurulduğu belirtilmektedir. AFEZ Avrupa-Kafkasya-Asya ve Kuzey-Güney ulaşım koridorlarında stratejik coğrafi konumuyla bölgesel bir yatırım merkezi olmayı ve rekabet gücünü artırarak Azerbaycan'ın petrol dışı sektörlerine yerli ve yabancı yatırımı çekmeyi hedeflediği bildirilmektedir.

AFEZ'in Türkiye'nin şirketleri için de geniş imkan ve fırsatlar sunmakta olduğu belirtilmekte olup Serbest Ekonomi Bölgesine ilişkin kapsamlı dokümanlar ekte sunulmaktadır.

Bilgilerine sunulur.

Emre OLGUNER
Genel Sekreter A.
Şube Müdürü V.

Ek:

- 1- Chairman Statement
- 2- Investor Guide
- 3- Property Brochu

Ayrıntılı bilgi için: Kubilay Yapıcıoğlu - İdari Memur
Orta Anadolu İhracatçı Birlikleri Genel Sekreterliği
Ceyhan Atuf Kansu Cad. No: 120
06520 BALGAT ÇANKAYA ANKARA
Tel : (312) 447 27 40 Faks : (312) 446 96 05 - 447 01 80
e-posta : info@oaib.org.tr / www.oaib.org.tr

Emre Olguner tarafından 5070
sayılı kanun gereğince güvenli
elektronik imza ile
imzalanmıştır.





Chairman's Statement

I am honoured to serve as Chairman of Alat Free Economic Zone Authority (AFEZ Authority) following the Decree of the President of the Republic of Azerbaijan dated May 22, 2020.

And now it is time to share with you our vision for Alat Free Economic Zone (AFEZ), the strategic intent in developing AFEZ, the type of investors it will attract and why they will choose to locate there and the economic benefits that will flow from this for our investors, our country and our people.

Competitiveness: Azerbaijan's Economy

Azerbaijan's economy has been on a steady upward trajectory since 2005. It has positioned itself as a strategic transport hub between Europe and Asia. The economy grew 3.4 times between 2004 and 2019. During same period strategic foreign exchange reserves grew 27.6 times.

Twice Azerbaijan was recognized as a top business-reformer country in the Doing Business 2009 and 2019 reports. Recently a Collaboration Agreement was signed between the World Economic Forum and the Government of Azerbaijan which provides a framework for cooperation in matters of common interest. According to the World Economic Forum's "Global Competitiveness Report 2019", in relation to the electricity supply subcomponent, Azerbaijan ranks 2nd in the world with a maximum score of 100 percent.

The existence of modern infrastructure in Azerbaijan creates ample opportunities for the promotion of economic activity. According to the Doing Business 2019 reports, the country ranks 9th out of 190 countries on the Starting a Business sub-indicator. In the "Global Competitiveness Report 2019", Azerbaijan ranks 31st on the transport infrastructure sub-index and 27th on the quality of road infrastructure sub-index.

We have attracted \$US128 billion in foreign investment since 2004, which has contributed to the development of all sectors of the economy in order to further improve the competitiveness of Azerbaijan.

The social-economic and political stability in the country creates a friendly environment for further sustainable economic growth.

Strategic Context: Why AFEZ?

Our President's vision has set Azerbaijan firmly on the road towards a knowledge-based and internationally competitive economy, where Azerbaijan will:

- become a competitive participant in international economic relations,

!"' #

\$

% &

(

)*,*_02*345 6,*7/89:;<=>?

-

#

@

A

B

C D #

@

..

#

..

E

C

D

..

#

..

5 6,*78-G-.,81,719:;<?

J B K # L E M ! J \$ K E ! N %

O

J P

-

..

J

J

#

#

\$

Q

\$

..

#

D

J

EVRAK

!!

π

ƒ

∕0

&

''

ƒ

∕0

(

■

■ ■

#

)*,-.0123456 7*.89-::;3-4:-4>: ?-?-@-A-*_.BCDEF

∪

0:~+012345~@*.-> ?272BCDE *3> D12,11- ~+3@-32-4

B3@21*8012345~@*.-> ?272BCDE *3> J:~.D12,11- ~+3@-32-4

K

L L

(

MN99:~+.012345~@*.-> :N42-BCDE *3> J:~.D12,11- ~+3@-32-4

L L

G

G

■

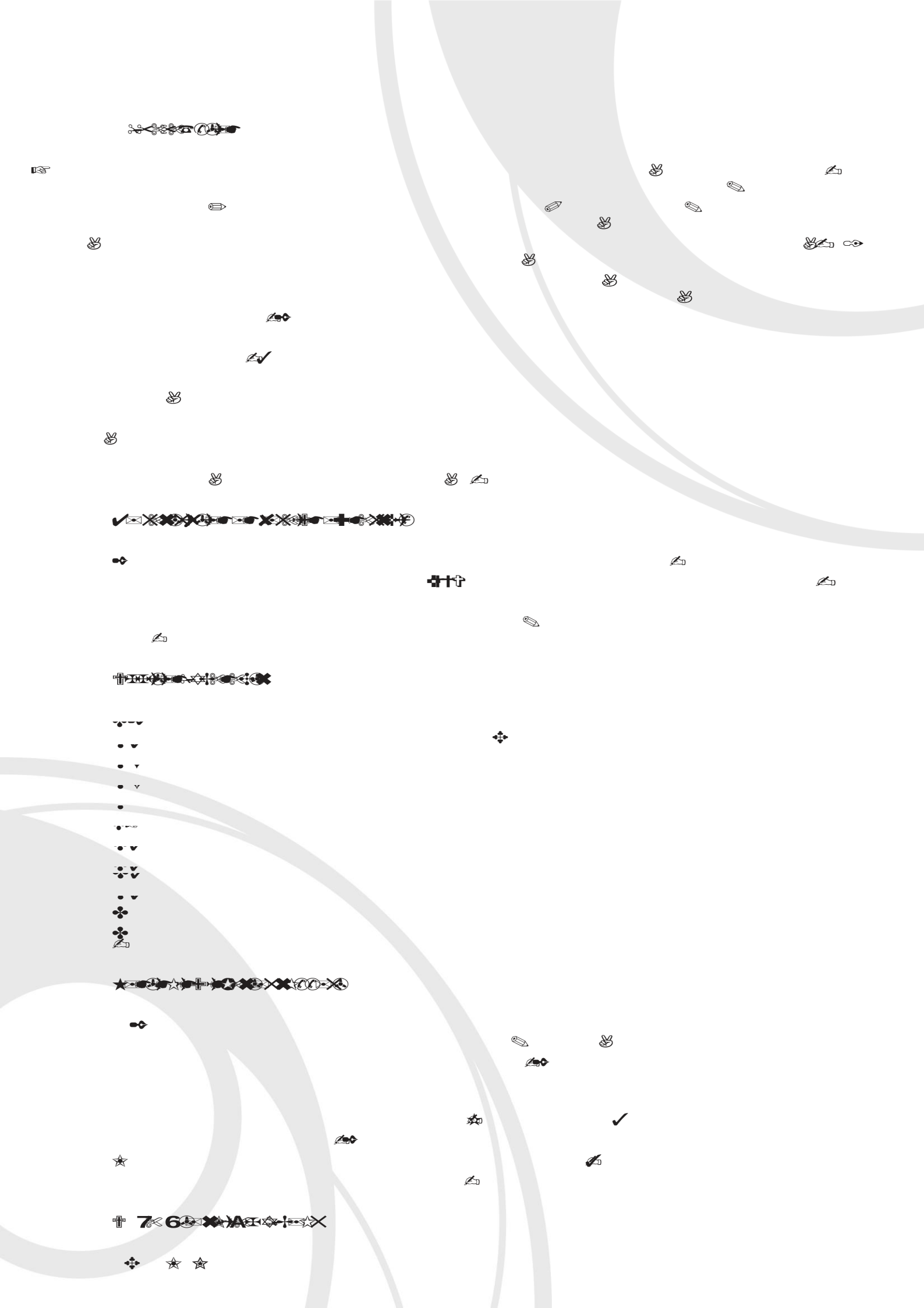
L L

∪

P-3Q4~+3-4:-4

G

∪





5070 sayılı kanun gereğince güvenli elektronik imza ile imzalanmıştır. ID: 46226EBA3ECF4E46226E. Bu kod ile <http://evrak.oiib.org.tr/> adresinden doğrulayabilirsiniz.



!
#

\$

%

\$

&

"

0*,, 101234.38+367 183/9-+; , 0*;<0=1>?@A

! \$ B
"

C
"

%!

\$

D

%

"

C

" " "

!

\$

E " F

" "

"

"

\$ C

"

"

C

"

!

\$

"

"

"

"

G

!H

J+58,* ,K37 :)0

G "

%

E %

"

"

%

"

!H

IVI 70

:

\$

++

"

"

"

=

\$

"

!

\$

"

! %N
" ! \$

!H

" " \$

"

"

"#

?>B3)667 :17+ :+; J+1:50

N

"

%

!H% \$

" #

!H

P Q" TSQR R
P Q" F FQRR
/T5U :6WV

XV!Z [!!% \

F X ! "'

!! Q% % \$

~ _ac_ c

ALAT FREE ECONOMIC ZONE

Investor Guide

T. +994 12 437 9313
M. +994 55 202 9313
office@afez.az

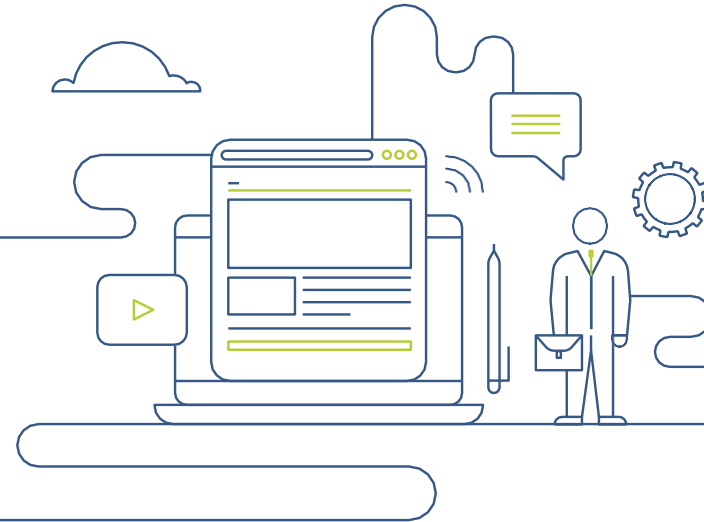
www.afez.az



AFEZ
ALAT FREE
ECONOMIC
ZONE

Contents

01. Introduction	02
02. What type of Investors do we welcome at AFEZ?	04
03. An overview of the investment procedures	06
04. One-stop shop business center	08
05. How to secure approval?	10
06. Business establishment support	22



01

Introduction

The Law of the Republic of Azerbaijan “On the Alat Free Economic Zone” (AFEZ Law) sets out the legal framework for the operation, development, and governance of Alat Free Economic Zone (AFEZ). AFEZ legislation which consists of AFEZ Law and Internal regulations, has exclusive jurisdiction in AFEZ.

AFEZ legislation has been prepared from the perspective of potential Investors and best international practice. The AFEZ Authority can ensure Investors that internal regulations are fit for purpose, which will guide day-to-day activity in AFEZ in compliance with AFEZ law.

The AFEZ Authority will provide certainty to Investors that all matters concerning operation of their businesses will be subject to AFEZ legislation which takes precedence over base economy laws. To provide certainty to Investors and to demonstrate precedence of AFEZ Law and internal regulations of AFEZ, amendments in multiple relevant base economy laws were adopted by the Parliament and signed by the President of the Republic of Azerbaijan.



02

What type of Investors do we welcome at AFEZ?

What type of Investors do we welcome at AFEZ?

Businesses engaged in high value-added and export-oriented manufacturing and services, internationally traded activities, using innovative technologies and management experience.

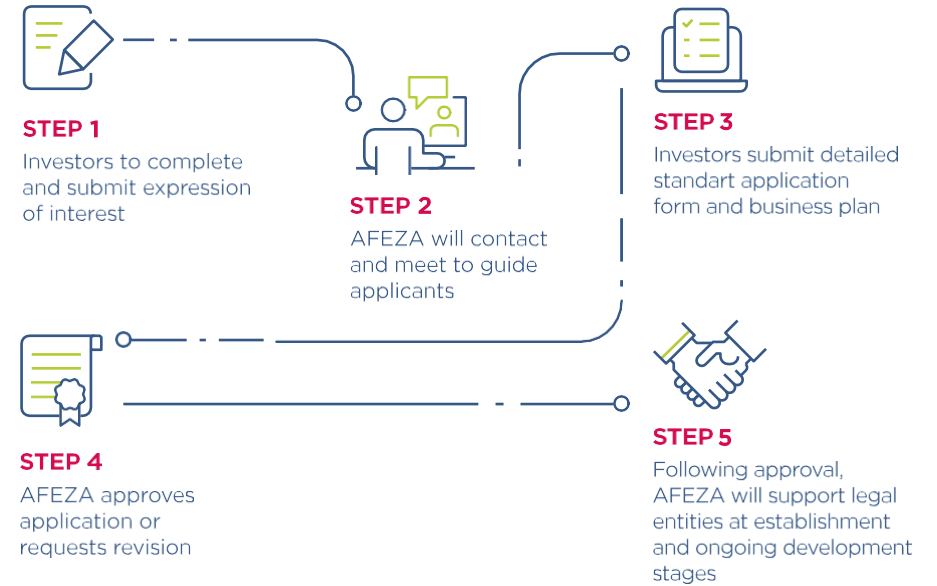


03

An Overview of Investment Procedures

The process of setting up a legal entity in AFEZ is conducted by the AFEZ Authority in an efficient and smooth way. The AFEZ Authority will guide the Investors through every step and assure that establishing a legal entity in AFEZ is as easy as possible.

Procedure Overview



Based on Investors' intention and readiness, the whole process could take from few hours up to few days. This guide provides the Investors with all needed information to start their businesses in AFEZ, including a step-by-step plan. In addition, the guide demonstrates the collaborative approach that the AFEZ Authority takes in partnering with potential Investors.

04

One-Stop Shop Business Centre

To make the investment process as simple as possible, the AFEZ Authority have established a one-stop shop business center. This is the only place where Investors would need to go for establishing and functioning a legal entity in AFEZ. Functions of the business center will cover business appraisal, issuance of a license, visas, permits etc.



05

How to Secure Approval?

www.afez.az



STAGE 1

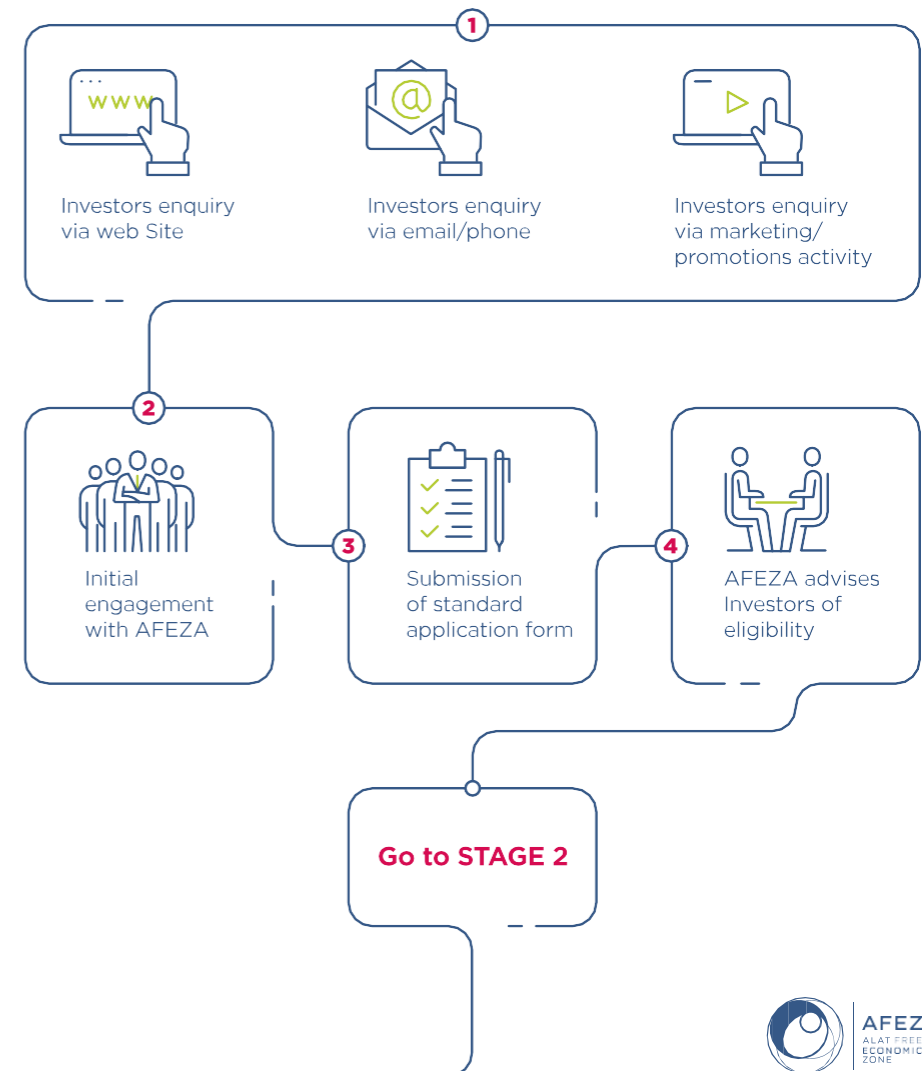
Initial Enquiry

Understanding the opportunity

Investor journey begins with the following actions:

- Step 1** Investors contact the AFEZ Authority.
- Step 2** The AFEZ Authority arranges meeting(s) with Investors to guide in the investor journey process, as well as inform of what AFEZ and Azerbaijan offer for favorable business environment.
- Step 3** Investors submit standard application form available on the AFEZ website.
- Step 4** Within 2 working days the AFEZ Authority confirms Investors' eligibility.

Procedure Overview



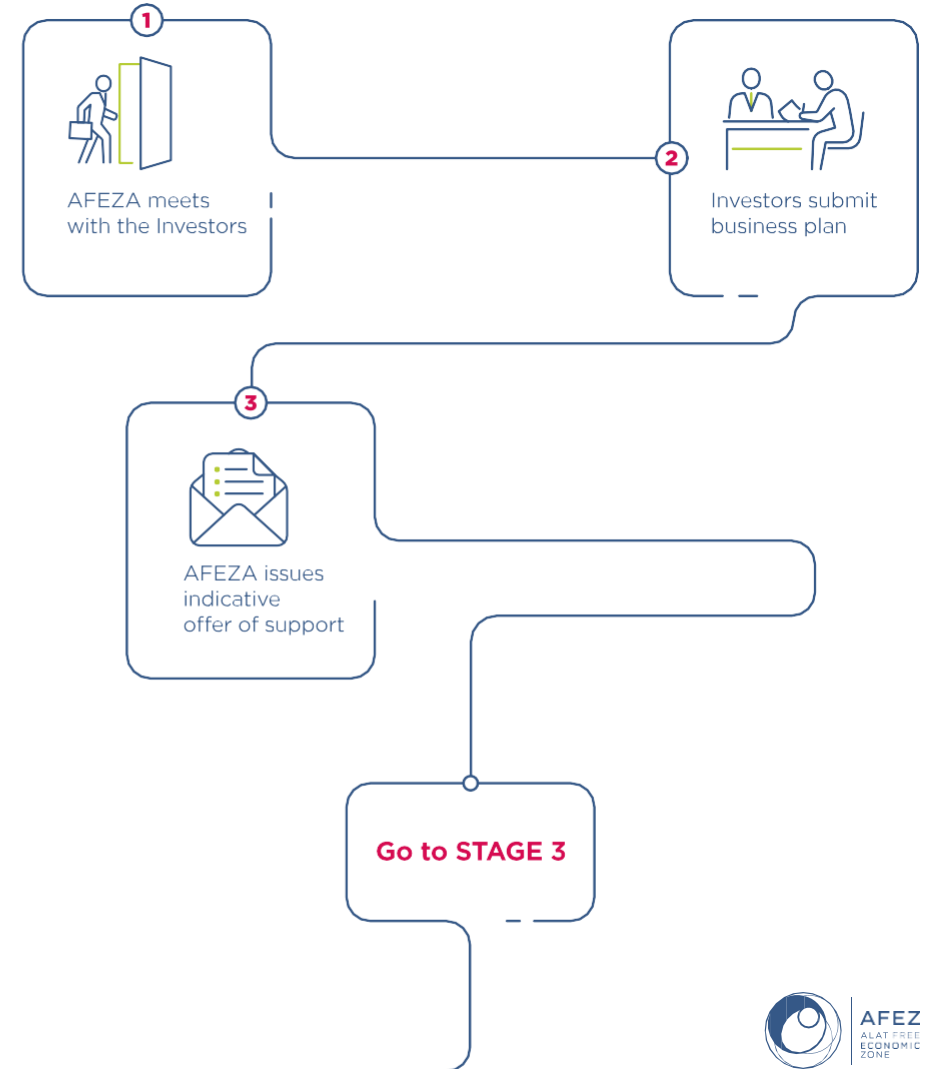
STAGE 2

Advance Enquiry See the opportunity

At this stage Investors have the option of visiting Alat Free Economic Zone.

- Step 1** Investors are welcomed to visit AFEZ site to further understand proposed opportunities. The AFEZ Authority provides all required support for the visit.
- Step 2** Based on developed template, Investors submit and discuss Business Plan with AFEZ Authority.
- Step 3** Following the receipt of the Business Plan, the AFEZ Authority will issue an indicative offer of support.

Procedure Overview



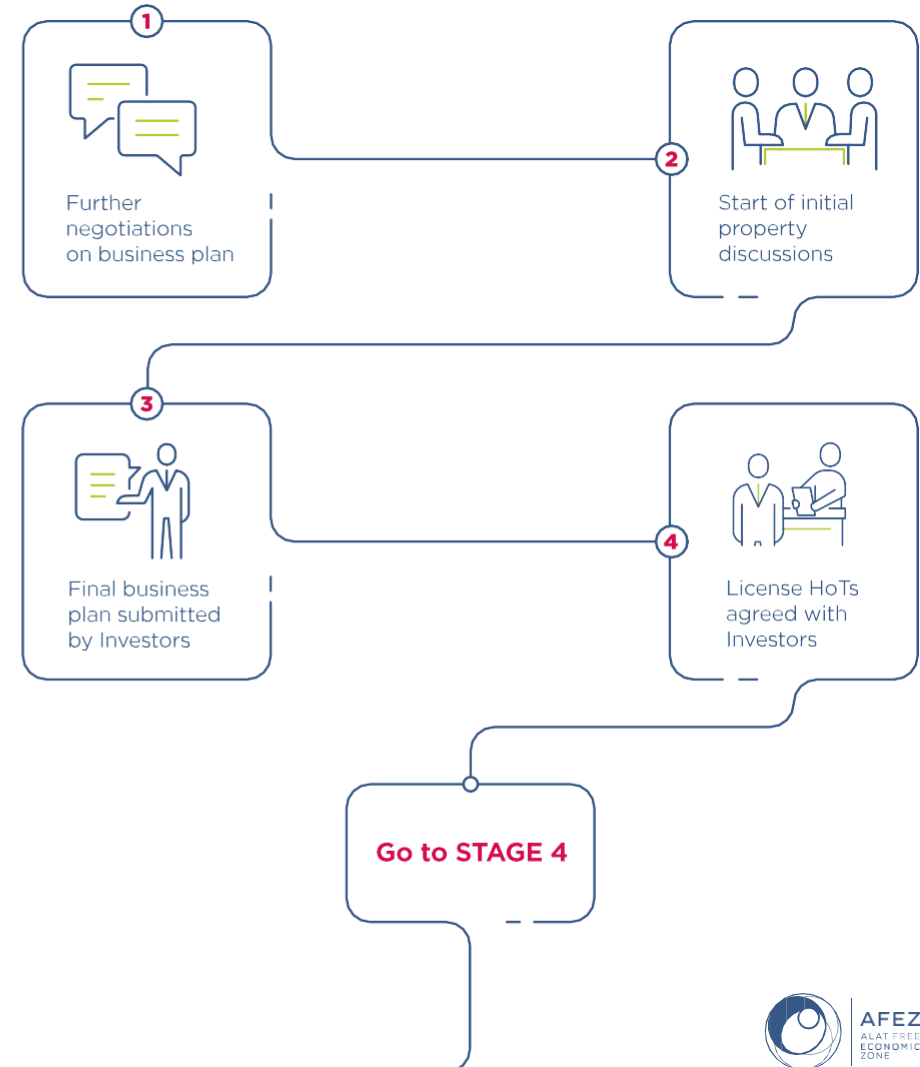
STAGE 3

Pre-Approval Discussions Maximize the opportunity

Having received an indicative offer of support, Investors are invited to develop and submit Final Business Plan and secure License approval:

- Step 1** Further negotiations on Business Plan continue.
- Step 2** Property discussions commence with the AFEZ Authority Property Team.
- Step 3** Investors submit Final Business Plan for AFEZ Authority's review.
- Step 4** License Heads of Terms (HoTs) agreed between Investors and the AFEZ Authority.

Procedure Overview



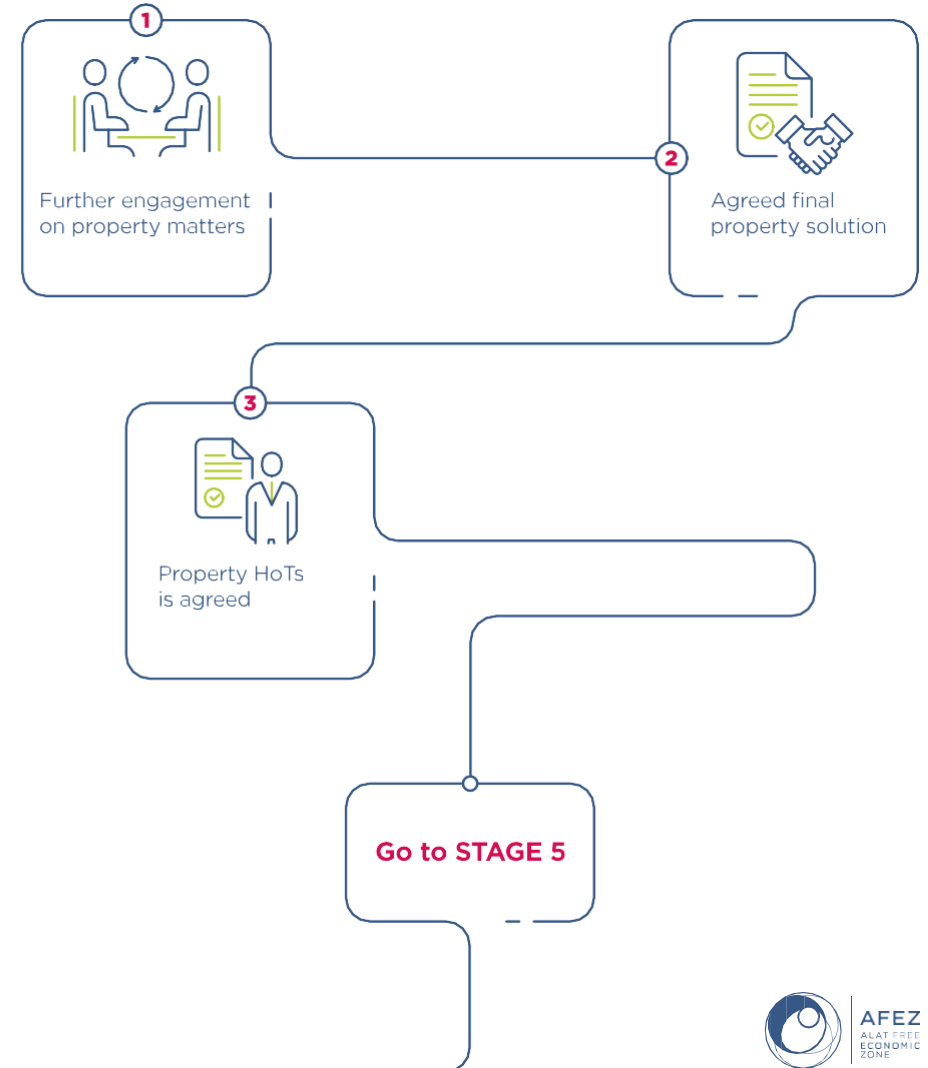
STAGE 4

Property Options Discussions Maximize the opportunity

The AFEZ Authority facilitates detailed discussions on property options. The AFEZ Authority Legal and Regulatory Team is actively involved at this stage:

- Step 1** Continue engagement in exploring available property options.
- Step 2** Property solution is agreed based on the Investors' Final Business Plan.
- Step 3** Property Heads of Terms (HoTs) is agreed.

Procedure Overview



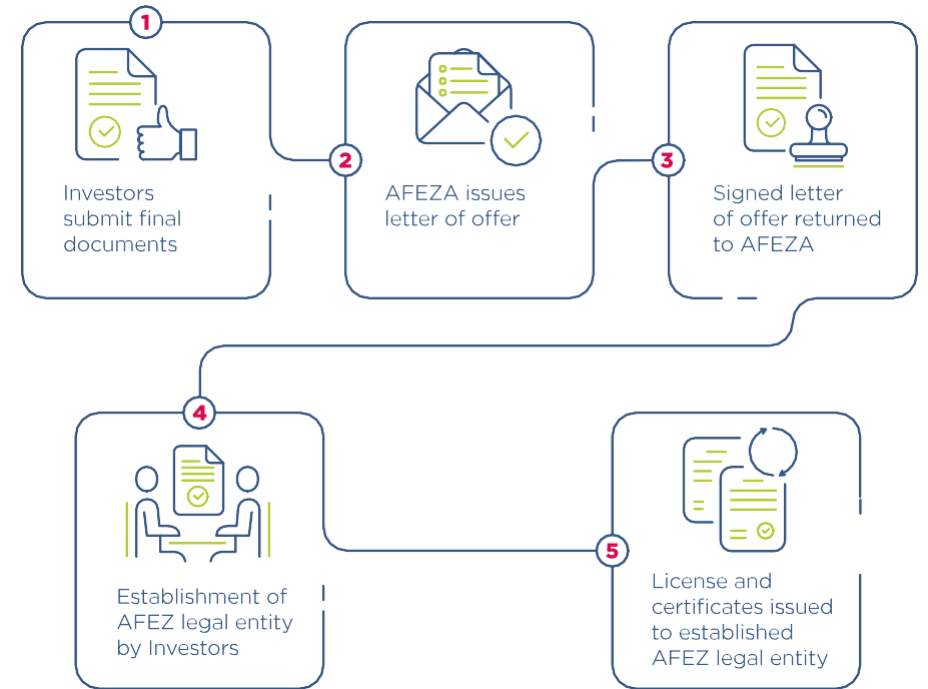
STAGE 5

AFEZ Authority Approval Confirm the opportunity

Following the formal approval by the AFEZ Authority:

- Step 1** Investors submit final documents in accordance with AFEZ procedures.
- Step 2** The AFEZ Authority issues Letter of Offer and notifies the Investors on the full range of supports.
- Step 3** Investors sign and return the Letter of Offer.
- Step 4** Establishment of AFEZ legal entity by Investors.
- Step 5** The AFEZ Authority issues License and certificates to the established AFEZ legal entity.

Procedure Overview



06

Business Establishment Support

The Opportunity Realized



www.afez.az

Establishment

AFEZ Authority will closely work with the Investors to support successful establishment of their legal entities in AFEZ. This may include:

Finalizing the lease of a plot or office accommodation providing direct assistance where necessary with:

- Recruitment
- Accessing training programs
- Identification of sub-suppliers and service providers
- Support new legal entities in integrating into the AFEZ business community.

Finalizing

Afterwards, AFEZ Authority will continue to maintain regular contact with the established legal entity and provide ongoing support as required.

Procedure Overview



Thank you for reviewing AFEZ Investor Guide. At this stage, we look forward to continuing our successful cooperation. If you have any questions, please don't hesitate to connect with AFEZ Authority team via contact information provided on the back of this guide.





AFEZ
ALAT FREE
ECONOMIC
ZONE

AZERBAIJAN ALAT FREE ECONOMIC ZONE



...the premier International business
location in the Caspian Region

4.11.2022 / 25738

AZERBAIJAN ALAT FREE ECONOMIC ZONE

The development of Azerbaijan's non-oil sector is crucial to ensure its ongoing future economic growth. The strategy to move the economy forward from its traditional dependence on Oil and Gas, is embedded in the Government's future vision with its key goals to:

- Diversify the Economy
- Develop and Adopt Innovations
- Improve the Human Resource Quality
- Promote Environmental Sustainability



FEZ 2

FEZ 1

FEZ 3

Baku
International
Sea Trade Port

A major pillar is to diversify and stimulate economic growth to attract and develop new value-added and manufacturing activities, through Foreign Direct Investment. The main focus is on export-oriented activity, creating real added value to the local economy with a spin-off in terms of new jobs and business creation. In contrast to other existing industrial parks and zones, **Alat Free Economic Zone (AFEZ)** have a clear export orientation in a high-tech business environment.

AFEZ is located adjacent to the Baku International Sea Trade Port and is the key focus of the Government's efforts to attract high value-added and export-oriented manufacturing and services.

...the premier International business location in the Caspian Region



SITE LOCATION AND FEATURES

The **AFEZ** has a unique legislation that consists of the Law of the Republic of Azerbaijan “On the Alat Free Economic Zone” adopted by the Parliament and approved by the President of the Republic of Azerbaijan and **AFEZ** internal regulations, which allows a range of incentives and advantages not available to any other location in the country. It includes exemptions from taxes and customs duties, a one-stop shop business centre and a self-regulated arbitration process.

The **Alat Free Economic Zone Authority — AFEZA**, will be responsible for all aspects of planning, promotion, client facilitation, approvals, licensing and client development.

AFEZ is located on a unique multi-modal site on the west shore of the Caspian Sea, next to the Baku International Trade Port, just 45 minutes south of Baku.

In addition to business-friendly services and incentives, AFEZ will provide investors and employees with a modern and purpose-built environment and a menu of property solutions.

AFEZ TOTAL AREA

858 ha

FEZ 1 - Logistics Warehouses, Light & Standard Manufacturing

198 ha

FEZ 2 - Logistics Warehouses, Light & Standard Manufacturing

441 ha

FEZ 3 - Heavy Manufacturing

211 ha

E2 - Support Services

8 ha

A total of 858 ha of land is available for the development of the AFEZ.

The Zone will be developed in three main phases:

- **FEZ 1:** Located to the south-west of the Baku International Sea Trade Port with highway and railway access
- **FEZ 2:** Located to the north of the Baku International Sea Trade Port with highway and railway access
- **FEZ 3:** Located at the intersection of two highways connecting the zone to the North, South and West
- **E2:** Small-medium enterprises, sub-supply services and some commercial activities will be accommodated on a 8 ha site, located to the south-west of FEZ 1 outside the Zone boundary

PHASE 1A SITE AVAILABLE IN JULY 2022

- Site extending to 60 ha
- Direct access to Baku International Sea Trade Port
- Vehicular access to highway
- Adjacent to railway

The Phase will include:

- 25 Logistics Warehouses / Manufacturing Plots
- Offices & Commercial Activity
- Utility Compound
- Area E2 Support Services

EXISTING PETROL STATION

FEZ 1 SITE AREA 198 ha

E2

0% — TAXES & DUTIES

- No Corporate Tax
- No Customs Duties on IMPORT & EXPORT
- No VAT on IMPORT & EXPORT

ATTRACTIVE LOCATION INCENTIVES

- Trade facilitation-based customs regime
- No foreign ownership restrictions
- No restrictions on foreign currency or profit repatriation
- Access to visas for foreign nationals
- On-site one-stop shop business centre for appraisal and licensing
- International standard & independent dispute resolution
- International standard health, safety, labour and environmental regulations
- Full investor protection
- Full protection of intellectual property rights
- Independent regulatory authority

WHY LOCATE YOUR BUSINESS IN AZERBAIJAN?

- Azerbaijan is a developed economy
- **AFEZ** is located in a world class business environment
- Wide market access
- Well planned purpose-built Free Zone
- Multi-modal site
- Developed and managed by a fit for purpose zone authority
- Attractive investor incentives package
- Downstream investment opportunities
- Strategic geographic location serving as a regional investment hub in the Europe-Caucasus-Asia and North-South transport corridors

FIVE STEP APPLICATION PROCESS

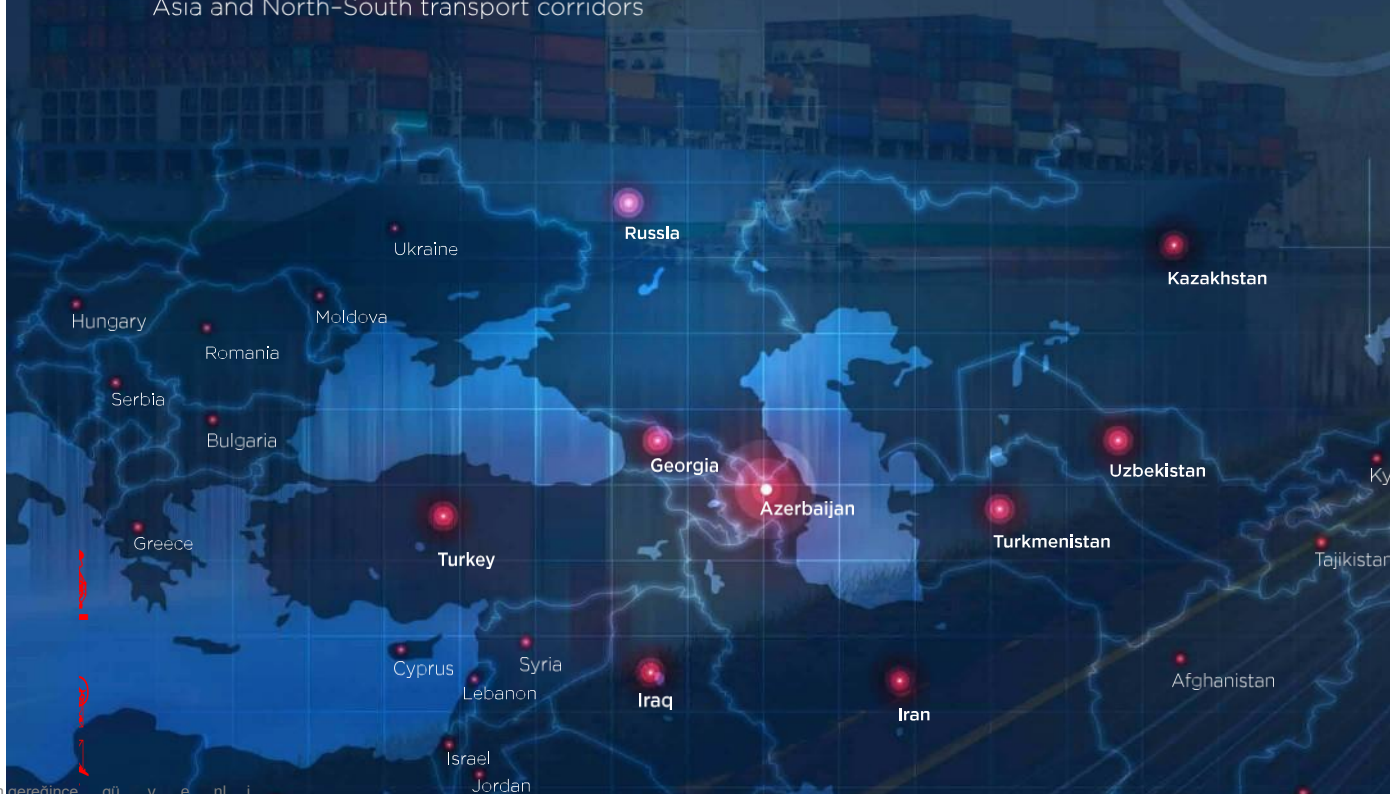
STEP 1: Investor to complete and submit expression of interest

STEP 2: AFEZA will contact and meet to guide applicants

STEP 3: Investor submits detailed **AFEZ** standard application form and business plan

STEP 4: AFEZA approves application or requests revision

STEP 5: Following approval, **AFEZA** will support investor at establishment and ongoing development stages



T. +994 12 437 9313
M. +994 55 202 9313
office@afez.az

www.afez.az