

Mobility: Immigration alert

June 2023



Azerbaijan

Amendments to the Immigration Code

Executive summary

Azerbaijan introduced new regulations governing the issuance of temporary and permanent residence permits (TRPs and PRPs) in May 2023.

Temporary residence permits

The following applicants are now eligible to apply for TRPs:

- ▶ Investors in legal entities in which the state of Azerbaijan holds a stake of at least 51% (worth AZN 100,000 or more).
- ▶ Individuals who make certain qualifying investments with a cumulative value of at least AZN 500,000.
- ▶ Individuals who hold a stake of at least 51% in commercial legal entities as well as directors of these entities, provided they meet other eligibility criteria (e.g., the entity must be established in Azerbaijan, at least one of the founders must be a foreign national, and it must satisfy certain capital requirements). Previously, only directors and deputy directors of such entities could apply for TRPs. This change does not apply to certain entities (e.g., companies that are considered residents of industrial parks).
- ▶ Entrepreneurs who carry out business activities and meet certain hiring and minimum revenue requirements. At least 80% of their workforce must be comprised of Azerbaijan nationals or their spouses, PRP holders or other groups (e.g., refugees, asylees). Previously, nationals of Azerbaijan were required to make up at least 80% of the workforce. This change does not apply to certain entrepreneurs (e.g., those who are considered residents of industrial parks).

Permanent residence permits

TRP holders can now apply for PRPs provided they have resided in Azerbaijan for at least two years and meet one of the following conditions:

- ▶ Are the parent, spouse, child or sibling of a national of Azerbaijan
- ▶ Are a family member of a permanent resident of Azerbaijan
- ▶ Hold qualifying investments of at least AZN 500,000
- ▶ Hold a fixed-term deposit of at least AZN 200,000 in a local bank
- ▶ Own state securities totaling at least AZN 200,000
- ▶ Own securities in legal entities in which the state of Azerbaijan holds a stake of 51% or more
- ▶ Own immovable property worth at least AZN 200,000
- ▶ Are working as high-level specialists in specific fields (e.g., industry, military, science, culture, sports)
- ▶ Are the director or deputy director of a foreign legal entity's branch in Azerbaijan
- ▶ Hold a stake of at least 51% in commercial legal entities and meet other eligibility criteria (e.g., the entity must be established in Azerbaijan, at least one of the founders must be a foreign national, it must satisfy certain capital requirements)
- ▶ Are an entrepreneur who meets minimum revenue requirements (as determined by the Ministry of Economy)

Impact on employers

The new legislation introduces several new, stricter requirements for foreign entrepreneurs and investors, as well as several measures that make it easier for employers in Azerbaijan to attract foreign talent.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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