



Innovation and Digital
Development Agency

digital●
azerbaijan

01 · OVERVIEW

New opportunities for technology parks and ICT

A new legal package gives technology park residents, their employees, startups and investors long-term tax certainty from 2027.

FROM 1 JANUARY 2027

0%

income tax

on the monthly employment income of specialists working for technology park residents.

FOR 20 YEARS

Who can benefit



01

ICT specialists and software developers

Long-term tax and social security benefits.



02

Startups and innovative enterprises

Tax exemptions, investment attraction and preferential terms in public procurement.



03

Local and foreign investors

Income tax exemption on investments made through crowdfunding and venture capital funds.



04

Foreign ICT specialists ("digital nomads")

A special permit and residency regime for living and working remotely in Azerbaijan.

02 · TECHNOLOGY PARKS

What employees and companies in technology parks gain

From 2027, a 20-year incentive package supports technology park residents, including residents operating outside technology parks.

0%
tax rate

0% income tax
Individuals employed by technology park residents are exempt from income tax on their earnings.

20 YEARS

0%
tax rate

Income and corporate profit tax exemption
Individuals and legal entities that are technology park residents are exempt from income and corporate profit taxes.

20 YEARS

0%
tax rate

Property and land tax exemption
Property and land used within the scope of business activities are exempt from taxation.

20 YEARS

0%
tax rate

Dividend tax exemption
Dividends derived from technology park activities are exempt from taxation.

20 YEARS

20
years

Social security contribution benefits
Benefits for technology park residents in the non-state sector, starting in 2027.

20 YEARS



These changes support local professionals in staying in the country and ICT companies in expanding into global markets.



03 · STARTUPS AND INVESTORS

New opportunities for startups and investors

Tax and investment incentives that make it more attractive to fund, build and grow innovative companies in Azerbaijan.

0% TAX	Crowdfunding investment Individuals investing in startups and technology parks Income from the transfer of securities and dividends is exempt from taxation.
0% TAX	Venture capital funds Investment in startups and micro and small enterprises Profits and dividends derived from investments are exempt from taxation.
50% DEDUCTIBLE	Accredited investors Direct investors in startups The investment amount is deductible from taxable income up to 50%, if held for at least 3 years.
0% TAX	Employee stock ownership (ESOP) Employees of technology park residents Income from shares acquired on preferential terms after at least one year with the company is exempt from taxation.
2.5x DEDUCTION	Research and development Taxpayers developing innovative products Eligible R&D operating expenses are deductible from taxable income at a multiplier of 2.5.



The 10-year incentive period applies across all sectors, starting from 2027.

04 · DIGITAL NOMADS

"Digital nomad" regime and migration updates

A dedicated entry and residency route for foreign professionals who work remotely in digital technologies.



Who is a "digital nomad"?

A foreign professional who works remotely in digital technologies, artificial intelligence, cybersecurity and innovation, and earns income from foreign sources.

Opportunities available



01

Special visa

Business visa

A special business visa for digital nomads with a stable income from abroad.



02

up to **3** years

Temporary residence permit

Issued on application and renewable each time.



03

20 years

Foreign-sourced income tax exemption

Income earned abroad by highly skilled migrants is exempt from income tax.

Financial requirements

Average monthly stable income over the past 6 months

TEMPORARY RESIDENCE PERMIT

13x the minimum wage from foreign sources

PERMANENT RESIDENCE PERMIT

26x the minimum wage stable monthly income

05 · PUBLIC PROCUREMENT

Public procurement and protection of entrepreneurs

New rules open public procurement to innovative products from startups and technology park residents.

Supporting innovation in public procurement



20%

PREFERENCE

Procurement preferences

Applied to innovative products offered by startups and technology park residents in procurements with an estimated value of up to AZN 250,000.



100K

AZN

Simplified procurement

Innovative products valued at up to AZN 100,000 are procured through a simplified procedure, by obtaining price quotations from at least 3 suppliers.



1M

AZN · 12 MONTHS

Pilot implementation

Pilot contracts of up to AZN 1,000,000 and up to 12 months to test innovative products whose exact specifications are not known in advance.



Protection of entrepreneurs

(ban on inspections)

During the suspension of inspections in the field of entrepreneurship, the inspecting authority is strictly prohibited from visiting the premises where an entrepreneur operates and from conducting any inspection activities.