

# Future prospects of Azerbaijan's m-Residency program

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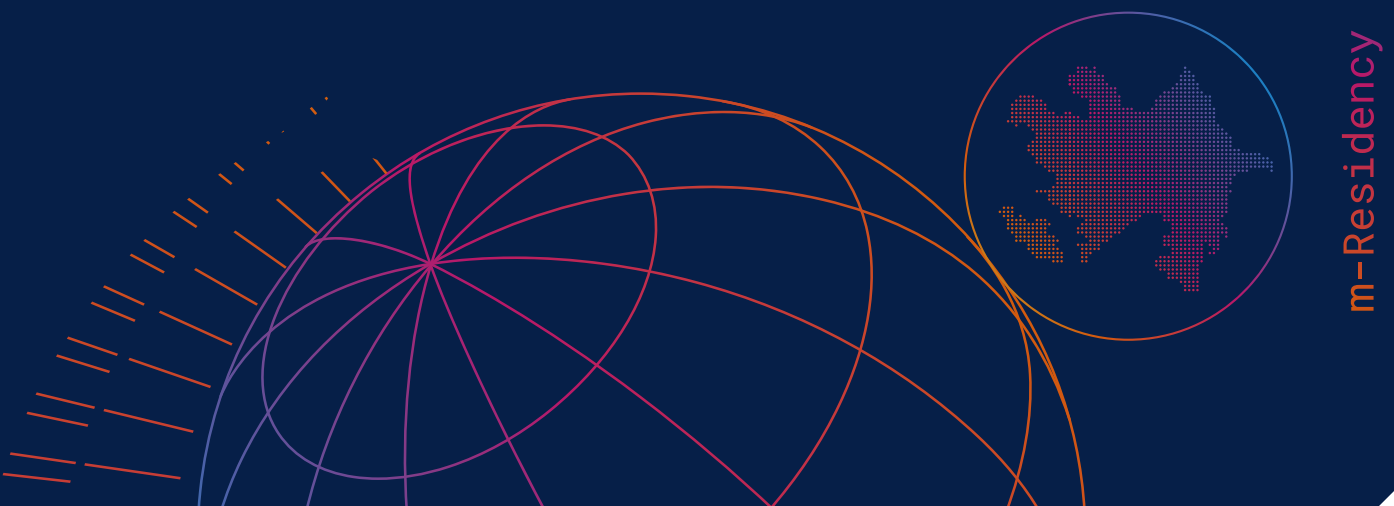
Physical distance can be a debilitating challenge for businesses looking to leverage the potential of an increasingly connected world. Geopolitical complications, ranging from trade wars to economic sanctions, often force companies to move from one country to another as well as reinvest and restart their operations. Business units aiming to optimise costs and increase profit thereby face a complex reality in the current global climate.

The m-Residency program, introduced in Azerbaijan by the initiative of President Ilham Aliyev, provides insurance against these difficulties.

## Introducing m-Residency

m-Residency is a cutting-edge and pioneering form of doing business. Offered in only two countries in the world – Estonia and now Azerbaijan – the program provides the opportunity to establish and run a borderless business without major risk or hassle.

The m-Residency program provides virtual government-verified identification in Azerbaijan. m-Residents receive a specially issued Asan Imza (Mobile ID) SIM card for secure authentication and electronic signatures. With this, it is possible to start official activities in the country and use any banking service. Although international applications currently come with limitations, the m-Residency program is growing rapidly.



*The m-Residency program was born in the framework of the Digital Trade Hub of Azerbaijan out of a close public-private partnership (PPP) between:*

- AzerTelecom, B.EST Solutions and PASHA Bank companies, representing the private sector;
- The Center for Analysis of Economic Reforms and Communications of Azerbaijan Republic, representing the public sector.



Center for Analysis of Economic Reforms and  
Communication of the Republic of Azerbaijan

## Seamless company registration with m-Residency

The greatest opportunity provided by the program is for non-residents of the country to easily open a company in Azerbaijan.

The m-Residency application process takes place via the Digital Trade Hub (DTH) – the all-in-one e-trade and e-commerce portal that offers a wide range of cross-border e-services for trade facilitation. The portal allows the applicant to submit the m-Residency application and make the required payment online.

The verification process takes up to three business days, after which the applicant receives a notification on their provided email address. The further process of delivering, issuing and activating the Asan Imza (Mobile-ID) certificates happens through local Azerbaijani embassies all over the world.

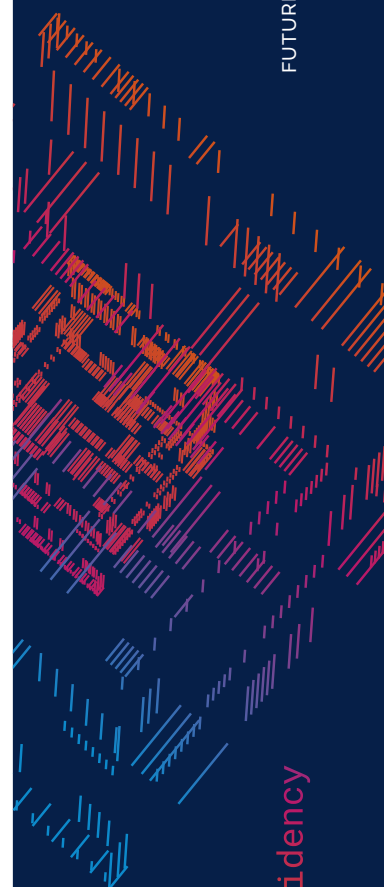
After obtaining m-Residency, the newly created system allows all non-residents, both Azerbaijani citizens living abroad and foreigners, to register a Company online free of charge and use the related e-services.

The virtual addressing service on the DTH portal enables the digital registration of a legal entity in Azerbaijan. The innovative registration system is presented in 3 languages (Azerbaijani, Russian, English) and provides an intuitive interface, fast service, and a secure application process – all of which takes into account the diverse ethnic and professional background of the applicants.

Additionally, a virtual assistant service helps represent the m-resident and their company in the country. The assistant support will include benefits ranging from the registration of incoming and outgoing documents to the provision of internal communication functions and more.



FUTURE PROSPECTS OF AZERBAIJAN'S M-RESIDENCY PROGRAM



m-Residency



# Mobile-ID enabled to offer first in the world m-Residency



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## M-RESIDENCY WITH ASAN IMZA

### ■ Azerbaijan is the world's first country to offer m-Residency.

It empowers entrepreneurs around the globe to set up and run a location-independent business in the country and use all the cross-border e-services of the Digital Trade & Cross-Border Data Flows of Azerbaijan.

- The aim of the project is to issue an Asan Imza Mobile ID to everybody who is interested, allowing them to start a business in Azerbaijan, invest in the country and use all online services from abroad

## ADVANTAGES:

- Establish a company online within a day
- Administer the company online from anywhere, any time
- Conduct e-banking and money transfers
- Have access to international online payment service providers
- Sign documents and contracts digitally
- Manage accounting records and declare taxes online
- Fill and confirm customs declarations online



# Location-independent banking opportunities with m-Residency



Taking into account the needs of Azerbaijan's m-Residents, last year the DTH portal contributed to changes in the state's law on banks. A relevant proposal was made to the supervisory authority for the provision of remote banking services. By today, not only local citizens, but also Azerbaijani nationals and foreign citizens residing outside of the country are able to use banking services from anywhere in the world.

For the first time, the Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan with the state's leading corporate bank – Pasha Bank – offer foreigners the opportunity to open a corporate account without having to visit the country.

The Central Bank of the Republic of Azerbaijan (CBAR) has also joined the m-Residency program. m-Residents can not only open banks accounts for their companies, they can also apply to open an individual bank account in Azerbaijan. Central Bank of Azerbaijan has introduced this service within their ambitious project named "Bank Market". Via the integration with 10 leading banks in the country, "Bank Market" allows its users to open a new bank account in three languages. This allows not only locals, but also foreigners to take advantage of the all-online banking experience. Currently, "Bank Market" allows m-Residents to open a current account but is planning to offer a larger selection of services within the next few months.

Meanwhile, other local banks have also delivered technical solutions for the provision of individual banking services, alongside corporate services for foreigners. It is expected that as the scope of the m-Residency program expands, non-resident users will be able to receive necessary services from all banks.



# Personalised value of m-Residency

m-Residency offers diverse benefits in line with specific user needs. For example, the program provides foreigners access to open bank accounts, without needing a residence permit or other legal documents. Thus far, the most popular services include the digital signing of documents and receiving electronic power of attorney. Moreover, Azerbaijani nationals living abroad have the opportunity to use various e-services without having to come to the country.

Through the possibility of remote applications, the program opens Azerbaijan up to the world. Foreigners can reap the benefits of discounted tax conditions, state-supported projects, and subsidies. For users who face restrictions from their own country to others, the program provides access from Azerbaijan to these restricted regions. Furthermore, by allowing the registration of a legal entity, m-Residency offers indirect support to foreigners for obtaining a temporary residence permit.

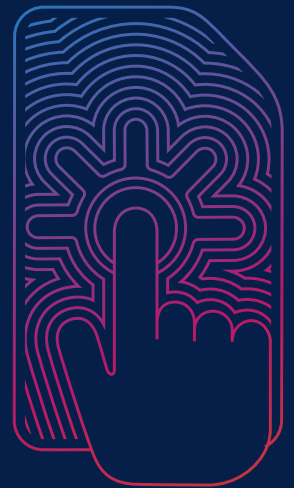
## Benefits of the m-Residency service for the country

m-Residency creates the foundation for greater inflow of foreign currency, through the authorised capital of companies founded by m-Residents, alongside taxes and salaries, banking fees and other payments. In addition to direct payments, the m-Residency project is set to have a significant indirect impact on the country's economic development. Employed citizens, served contractors and companies offering business solutions will all benefit from m-Residents, who choose to invest in the country.

The program also provides a unique chance for foreigners to take advantage of opportunities within critical sectors of Azerbaijan and is a great incentive for further development of these areas.



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m-Residency



# Latest achievements of m-Residency

The program was introduced a few months ago, but interest in this innovative Azerbaijani initiative is already greater than expected. During this short period, the m-Residency program has received about 100 applications from more than 25 countries. These countries include France, Spain, Germany, Greece, Sweden, Switzerland, Latvia, Lithuania, Estonia, Israel, Russia, Turkey, Belarus, the United Arab Emirates, Saudi Arabia, Pakistan, India, Brazil, and others. The overwhelming majority of applicants constitute businesses that have already achieved success locally and are looking to expand their activities.

Estonia has observed similar trends with their e-Residency program. Estonia's e-residency program has earned the state €41 million, €31 million of which is direct tax revenue since it launched in 2014. Taking this into consideration, it is likely that Azerbaijan's counterpart – m-Residency – will be financially successful in a similar way.

## Future prospects of the program

Although m-Residency is a new concept, the program's positive impact on the future of Azerbaijan and the region is already evident. Current statistics provide reason to predict that m-Residency will grow and increase the attraction of businesses and investors from more countries and sectors in the near future.

Taking into consideration the declining global demand for oil, the growing importance of non-oil sectors and the rapid spread of digitalisation, the m-Residency program opens up new opportunities for regional development. Introducing Azerbaijan to the world as a fully digital m-business environment can transform the country into the business and investment hub of the region.

The m-Residency ecosystem has been developed on the principle of the Interoperability and data exchange platform which involves public and private sector: The Center for Analysis of Economic Reforms and Communications of Azerbaijan Republic, Ministry of Economy, the State Tax Service under the Ministry of Economy, the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan, the State Customs Committee, the State Security Service, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Agriculture, banks, all mobile operators - Azercell, Bakcell, Azerfon, B.EST Solutions, AzerTelecom, PASHA Bank and Legal Store. New public and private partners are planning to join this project in the nearest months.



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