



Small and Medium Business
Development Agency of
the Republic of Azerbaijan

SMALL AND MEDIUM BUSINESS DEVELOPMENT AGENCY (KOBIA) OF THE REPUBLIC OF AZERBAIJAN



About KOBIA

- ▶ KOBIA was established by the Decree of the President of the Republic of Azerbaijan dated December 28, 2017.
- ▶ The Charter and structure of the Agency were approved by the Presidential Decree dated June 26, 2018.
- ▶ The Agency is a public legal entity that supports the development of SMEs in the country, participates in their regulation, protection of SME interests, and resolution of their problems. It provides various support and services to entrepreneurs, coordinates the services of public and private institutions in this field, and acts as an authorized body in these areas.

Activities of the Agency within the framework of the implementation of the “Socio-Economic Development Strategy of the Republic of Azerbaijan for 2022–2026”

In accordance with Order No. 3378 of the President of the Republic of Azerbaijan dated July 22, 2022, approving the “Socio-Economic Development Strategy of the Republic of Azerbaijan for 2022–2026”, and Order No. F-132 of the Minister of Economy dated August 17, 2022, issued to ensure the implementation of the Strategy within the Ministry of Economy, the Agency acts as the main executing body in the following directions:

- 1. Enhancing the efficiency, targeting, and transparency of support mechanisms for entrepreneurs;**
- 2. Expanding access of small and medium-sized enterprises (SMEs) to resources, including financial resources;**
- 3. Broadening and promoting SME awareness and capacity-building opportunities;**
- 4. Developing the housing and construction sector to improve living standards;**
- 5. Improving the investment climate for business and establishing infrastructural, technological, and legal frameworks for its monitoring;**
- 6. Supporting and promoting innovation.**

Capacity Building

Model enterprise



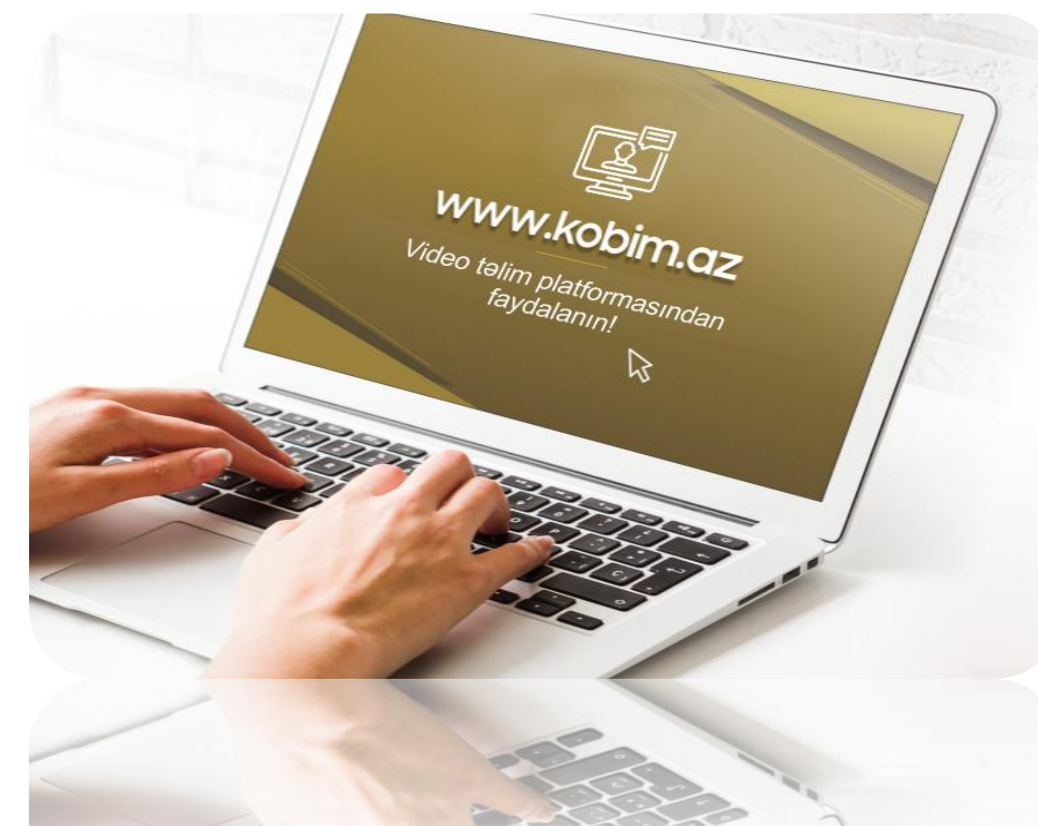
A training and practice center based on efficient management methods aimed at improving the effectiveness and competitiveness of small and medium-sized industrial enterprises.

SME Development Centers (KOBIM)



KOBIMs improve the knowledge and skills of micro, small and medium entrepreneurs, expand access to innovation, organize trainings in line with modern challenges and provide practical consulting services which are important for building and developing a business.

Video training platform



The platform features 180 training videos, divided into 20 different topics. These video trainings cover areas such as starting a business, project management, finance, marketing, tourism and more. The platform also includes presentations of training topics, relevant self-assessment tests, and information about the trainers.

Internal Market Research

Decree of the President of the Republic of Azerbaijan No. 713 dated may 29, 2019 On the approval of the "Rules for state support of internal market research in order to stimulate competitive products of micro, small and medium-sized businesses."

2021

At the initiative of KOBIA: 4
Upon the request of entrepreneurs: 8

At the initiative of KOBIA: 4
Upon the request of entrepreneurs: 8

2022

At the initiative of KOBIA: 1
Upon the request of entrepreneurs: 5

At the initiative of KOBIA: 1
Upon the request of entrepreneurs: 5

2023

At the initiative of KOBIA: 7
Upon the request of entrepreneurs: 2

At the initiative of KOBIA: 7
Upon the request of entrepreneurs: 2

2024

At the initiative of KOBIA:
Upon the request of entrepreneurs: 3

At the initiative of KOBIA:
Upon the request of entrepreneurs: 3



Financing of SME Educational, Scientific, Research, and Support Projects

Decree of the Cabinet of Ministers No. 364 of September 30, 2020, On Approval of the “Rules for Financing Education, Science, Research and Support of Projects Related to the Development of Micro, Small and Medium Business”.

2021
Number of projects: 14
Allocated grant: 262,741 ₸

2022
Number of projects: 12
Allocated grant: 228,519 ₸

2023
Number of projects: 13
Allocated grant: 256,408 ₸

2023
Number of projects: 19
Allocated grant: 304,799 ₸

2024
Number of projects: 21
Allocated grant: 374,488 ₸

2024
Number of projects: 20
Allocated grant: 339,666 ₸

2025
Number of projects: 30
Allocated grant: 525,051 ₸

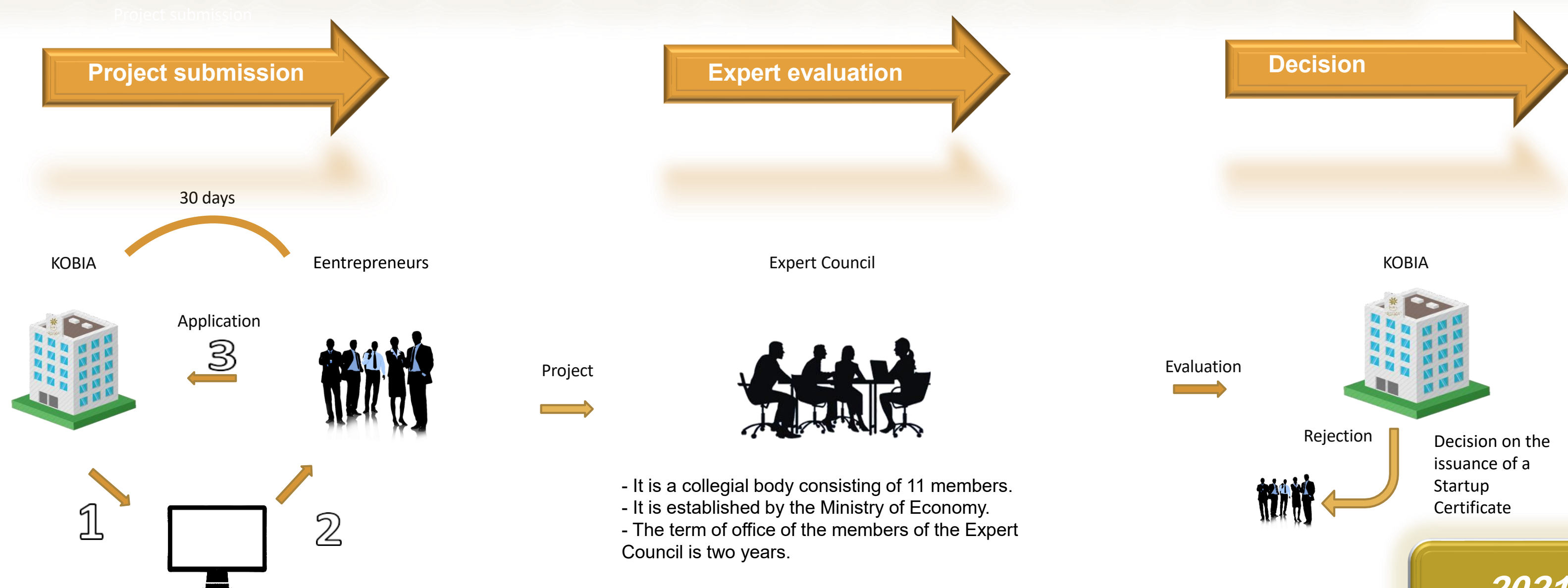


***Total number of projects:
129
Total allocated grant:
2,291,672 ₸***

STARTUP Certificate

Decree of the Cabinet of Ministers No. 20 dated 01/29/2021, the support mechanism is implemented by the Agency in accordance with the “Start up Definition Criteria”

According to the Tax Code of the Republic of Azerbaijan, entrepreneurs engaged in micro and small businesses are exempt from income tax and tax on income from innovation activity for 3 years from the date of receiving the Startup Certificate.



2021- 2024
188 Certificates

Support for SMEs in Accessing Markets

By the Decree of the President of the Republic of Azerbaijan dated December 1, 2021, the “Rules on Supporting the Expansion of Sales of Products Manufactured by Micro and Small Business Entities in Trade Networks” were approved. In accordance with these Rules, the support is provided by KOBIA.

Exhibitions

2021

Local/ number of entrepreneurs: 5/13
Foreign/ number of entrepreneurs: 1/4

2022

Local/ number of entrepreneurs: 19/931
Foreign/ number of entrepreneurs: 7/84

2023

Local/ number of entrepreneurs: 7/53
Foreign/ number of entrepreneurs: 1/4

2024

Local/ number of entrepreneurs: 14/510
Foreign/ number of entrepreneurs: 2/19

www.kobmarket.az



Access to retail chains

Total trade points:
79
Number of entrepreneurs:
80
(2021-2024)

SME Cluster

Approved by the Decree No. 1905 of the President of the Republic of Azerbaijan dated December 15, 2022.

- Profit and income tax;
- Property tax, land tax, VAT on the import of machinery, technological equipment, and installations, the portion of income earned by an SME cluster participant from the supply of goods (works, services) under a contract with an SME cluster company that is directed toward capital expenditures is exempt from income and profit tax



For 7 years

2024

Number of clusters:1

2025

Number of clusters:1



Investment Promotion Certificate

A document that entitles legal entities and individual entrepreneurs to benefit from the exemptions provided for in the Tax Code of the Republic of Azerbaijan and the Law on the “Customs Tariff.”

- 50% of profit and income taxes,
- Property tax, land tax,
- VAT and customs duties on the import of machinery, technological equipment, and installations



For 7 years

As a result of projects implemented under investment promotion certificates, over AZN 1.6 billion is expected to be invested in local production, creating more than 4,500 jobs.

By December 27, 2024, 457 certificates were issued to legal entities and individual entrepreneurs for the import of machinery, technological equipment, and installations worth USD 167.0 million, resulting in tax and duty exemptions totaling USD 36.2 million.

SME Houses

SME Houses are one-stop shop centers, that provide government-to-business (G2B) and business-to-business (B2B) services to entrepreneurs in a centralized manner, ensuring efficiency, transparency, courtesy, responsibility, and convenience.

Baku SME House



35
*Government and
12 private bodies*

**More than
400
Services**

Yevlakh SME House



12
*Government and
3 private bodies*

**More than
200
Services**

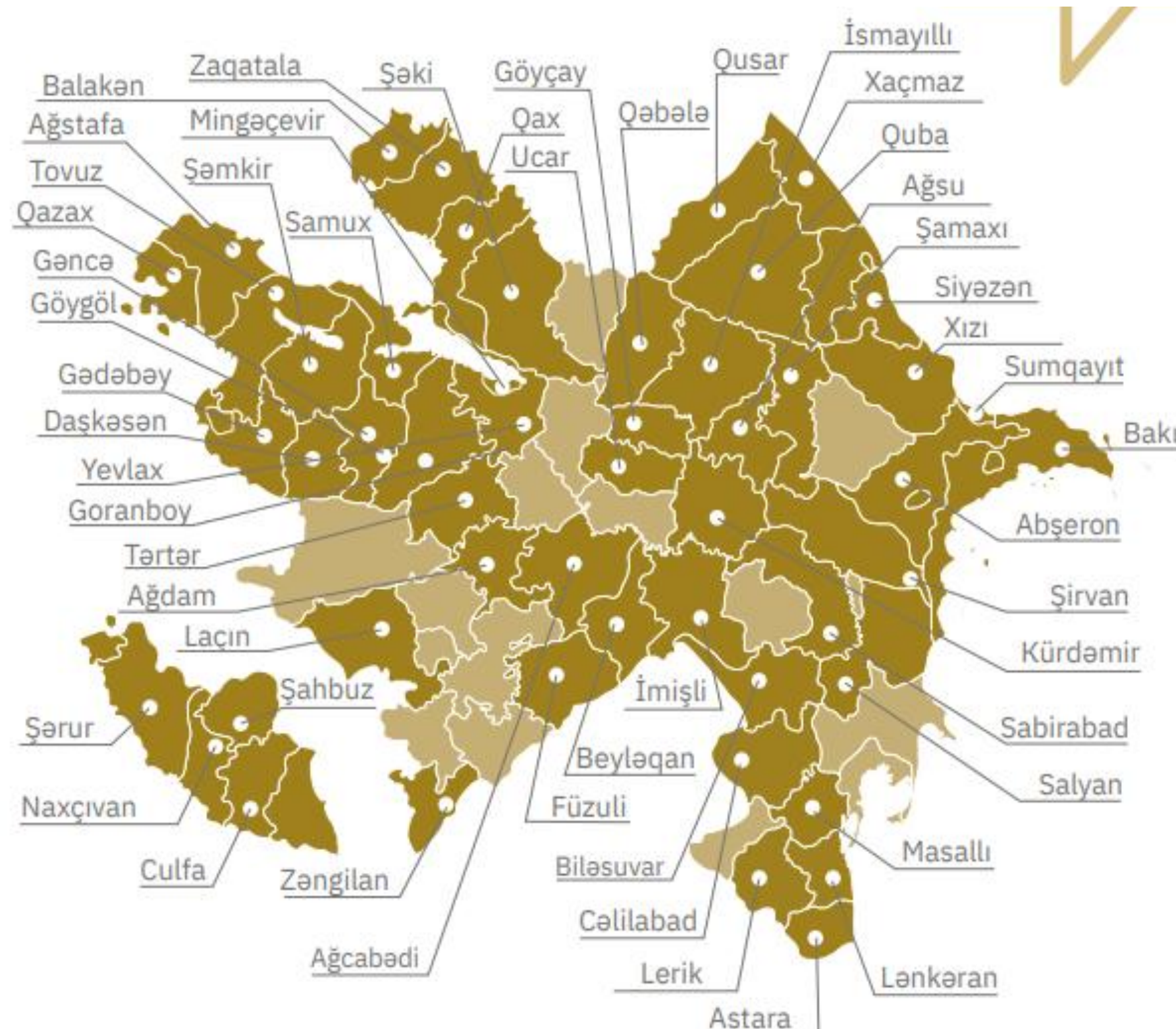
Khachmaz SME House



15
*Government and
5 private bodies*

**More than
200
Services**

SME Friends Network



Currently, SME Friends operate in 53 cities and districts across 14 economic regions of the country, with a total of 55 SME Friend offices. In these cities and districts, 10 coordinators and 53 SME Friends provide services to entrepreneurs.

Appeals of the Entrepreneurs

Appeals submitted by entrepreneurs and citizens are examined in accordance with the relevant provisions of the Law of the Republic of Azerbaijan “On Appeals of Citizens.”

Since its establishment, more than *8,000* appeals from entrepreneurs have been reviewed.

Each appeal was assessed in line with the law, ensuring timely support and effective communication with the business community.





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Thank you for your attention!

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