

Minister of Finance of Georgia

Order No 256

15 October 2020

Tbilisi

On Making Amendments to Order No 996 of the Minister of Finance of Georgia of 31 December 2010 on Tax Administration

Pursuant to Article 20 (4) of the Organic Law of Georgia on Normative Acts,

I hereby order:

Article 1

The following amendments shall be made to the instruction approved by Order No 996 of the Minister of Finance of Georgia of 31 December 2010 (LHG, website: 060111, 03/01/2011, 200090000.22.033.016112) on Tax Administration:

1. Article 38 (7) (b) shall be amended as follows:

b) Column 5 shall specify the category of persons receiving revenue. In particular, resident physical persons – physical persons employed for hire, physical persons employed for hire in an enterprise with the status of international company, whose salary earned as a result of working in an enterprise with the status of international company is taxed at 5%, natural persons, except for those registered as individual entrepreneurs, natural persons registered as VAT payers, notaries, private bailiffs, natural persons with the status of micro business and natural persons with the status of flat tax payer, in respect of relevant activities, which provide services and whose income is taxed by 20%, physical persons, except for those registered as sole proprietors, physical persons registered as VAT payers, notaries, private bailiffs, physical persons with the status of micro business and physical persons with the status of flat tax payer, in respect of relevant part activities, which provide services and whose income is taxed at 5%, physical persons whose revenue received from the delivery of goods is taxed by the person purchasing the goods at a rate of 3% at the source of payment in accordance with Article 133³ of the Tax Code of Georgia, natural persons owning hotel assets/a part thereof, other physical persons; resident organisations; non-residents – legal entities registered in countries with preferential tax treatment, natural persons registered in countries with preferential tax treatment, other non-resident legal entities without a permanent establishment in Georgia, non-resident physical persons without a permanent establishment in Georgia; natural persons – a non-resident subcontractor carrying out oil and gas operations determined by the Law of Georgia on Oil and Gas; recipients of funds paid by an entrepreneur for international telecommunications services and international transport services; legal entities – a non-resident subcontractor carrying out oil and gas operations determined by the Law of Georgia on Oil and Gas; recipients of funds paid by an enterprise for telecommunication services of international communications and transport services for international shipment .

2. Section VII⁴ shall be added after Section VII³ of the following content:

„Section VII⁴

Status of international company

Article 111⁷ – Granting the status of international company

A person applying to obtain the status of international company shall apply to the Revenue Service with the application form provided for by Annex No VII⁴-01.

Article 111⁸ – Rules for taxation of income earned from being employed by an international company

1. Rules for taxation of income earned from being employed by an international company shall be taxed at 5 percent.

2. Remuneration paid to physical persons employed by an international company in the form of salary / benefit (cash or in-kind) shall be reflected in the tax declaration for tax withheld at source as provided for by Article 37 of the Instruction, which shall be completed in accordance with Article 38 of the same Instruction.



3. Information on hiring by an international company shall be reflected in Annex A of the tax declaration for tax withheld at source as provided for by Article 37 of the Instruction, which shall be completed in accordance with Article 38 of the same Instruction.

3. Annex No VII⁴ – 01 of the attached edition shall be added to the Instruction

Article 2

This Order shall enter into force upon its promulgation.

Minister of Finance of Georgia

Ivane Machavariani

Annex No VII⁴ – 01

Application

for Granting the Status of International Company

Enterprise registration data:	
Name	
Legal form	
Identification Code:	
Contact information:	
Legal address:	
Actual address	
Phone	
E-mail	
Select the type of permitted activity for which you would like to receive the status *:	
* It shall be allowed to select one or more types of activity	
Information technology services to be provided to a person (s) whose place of registration or place of management is outside Georgia. These services may include any of the following:	
1. software release	
2. releasing of computer games	
3. releasing of other software	
4. computer programming, consulting and related activities	



5. computer programming activities
6. consulting activities in the field of computer technology
7. computer management activities
8. other activities of information technologies and computer services
9. production and / or delivery of digital products, including software support and delivery of updated versions
10. website development and / or delivery
11. web hosting, remote maintenance of software and hardware
12. software and related updates
13. provide images, texts and information to ensure access to a database
14. remote system administration
15. online delivery of allocated memory capacity
16. access to or download of software (including purchasing / accounting software or antivirus software) and updates
17. banner ads blocking programmes
18. download drivers, such as software that connects computers to peripherals (such as a printer)
19. automatic online installation of filters on websites
20. automatic online installation of firewalls

commercial and maintenance services by a ship owner and / or those related to ship ownership

The person authorised to manage the enterprise:

Signature of an authorised person:

Date: _____

