

Tax Legislation Updates

Amendment to the Order №996 of the Minister of Finance of Georgia on December 31, 2010 on Tax Administration

The Order №197 of the Minister of Finance of Georgia of August 5, 2021 amended the instruction on Tax Administration of 31 December 2010 approved by the Order №996 of the Minister of Finance of Georgia. According to the amendment, for the purposes of Article 176, paragraph 1, Subparagraph "e" of the Tax Code of Georgia, the basis for receiving VAT deduction for accrued VAT duty on the basis of a decision of the tax authority on the import of goods, is the document confirming payment of VAT in the budget, if all following cumulative circumstances are met:

- a) there is a decision of the tax authority on the accrual of VAT in connection with the import of goods;
- b) the amount of VAT is reflected in the tax notice submitted on the basis of the decision;
- c) the amount reflected in the tax notice is paid to the budget in full or in case of incomplete payment - the payment order indicates VAT relating to the import of goods.

Other Legal Updates

Amendments to the Rules on Isolation and Quarantine

Due to the aggravated epidemiological situation in Georgia, several amendments were made to the rules of isolation and quarantine in August, which set periodic restrictions on certain areas of social life or economic activity.

The amendment dated 11 August 2021, to the Resolution #322 of the Government of Georgia of 23 May 2020, newly regulates the legal consequences of non-compliance with the recommendations relating to the assembly, including assembly on mass entertainment events. In particular, in case of critical non-compliance with the relevant recommendations, the Labor Inspection Service, in coordination with the Ministry of Internal Affairs of Georgia, is authorized to temporarily restrict the use of space and/or items

(including the use of facility or specific place, equipment and / or other items directly related to the preventive measures for virus spread) and in case of repeated detection of violation of recommendations, to limit the use of the space/item on the object and to transfer the case to the Ministry of Internal Affairs of Georgia for the initiation of criminal proceedings.

According to the amendment, dated 13 August 2021, to the Resolution #322 of the Government of Georgia of 23 May 2020, from August 14, 2021 to September 4, 2021 regular passenger transportation (except for Rustavi -Tbilisi passenger transportations), including passenger transportation in Tbilisi Municipality by underground electric transport (metro) and ropeway announced to be suspended in Tbilisi, Batumi, Kutaisi, within the administrative borders of Rustavi and Zugdidi municipalities.

From 14 August 2021, provision of all types of sports competitions (except international competitions), entertainment, arts, festivals and cultural events (except theatrical and cinematographic), as well as the activities of children's entertainment centers were prohibited.

From 14 August 2021, restaurants / bars / cafes, gyms and swimming pools in hotels and similar accommodation are allowed to operate only to serve guests of the hotel and similar accommodation from 05:00 to 23:00. From 23:00 to 05:00 Only room service was allowed.

From 14 August 2021, the operation of food facilities/restaurants/bars/cafes is allowed both for outdoor and indoor operations from 05:00 to 23:00. Delivery service, so-called take-away and drive services are allowed without limitation. In addition, recommendations should be observed when receiving guests.

The amendment dated 13 August 2021, to the Resolution #322 of the Government of Georgia of 23 May 2020 allows to hold international sports competitions only without spectators from 25th August. From the same date, the operation of restaurants/bars/cafes in hotels and similar accommodations became available until 22:00, instead of 23:00. The same restriction applies to food facilities (restaurants/bars/cafes).

The amendment dated 31 August 2021 to the Resolution #322 of the Government of Georgia extended the period restricting regular passenger transportation until September 13, 2021.

Also, with the amendment made on August 31, 2021, the start of the educational process in the institutions

implementing early education services has been postponed until October 4, 2021. At the same time the start of the educational process before the specified date is allowed with the distance learning methods.

Contact information

bakertilly
7 Bambis Rigi, 0105, Tbilisi.
(+995 32) 2438 999

office@bakertilly.ge
www.bakertilly.ge

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