

TAX NEWSLETTER

AMENDMENT TO THE ORDER

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AMENDMENT TO THE ORDER

By the Order N131 (30.03.2018) of the Minister of Finance of Georgia amendment has been made to the Order N996 (31.12.2010) of the Minister (administration of taxes). Amendments to the order are related to the corresponding amendments made to the Georgian tax code and fully take them into account.

ANNUAL DECLARATION OF PERSONAL INCOME TAX

The amendment stipulates that when filling in the annual declaration of personal income tax, the dividends earned until 1 January 2023 by a member of an agricultural cooperative from the same cooperative shall not be included in the 15th cell for gross income.

Based on the amendment, interests earned from debt securities issued by a Georgian enterprise and listed on a recognized stock exchange of a foreign country and the interest earned from the free industrial zone enterprise, mustn't also be included in the above mentioned cell.

Amendment came into force from 31st March 2018.

MONTHLY DECLARATION OF CORPORATE INCOME TAX

New subsection was added to the subsection "a.a" of the 5th part from the article 401, based on which payment, made to the partner, of the equity securities issued through a public offering in Georgia and allowed for trading on an organized market recognized by the National Bank of Georgia issued by a resident legal person, must also be included in the 16.1 cell (distributed dividend)

Also, subsections "a.d" and "f" were added to the note of this subsection, and amendment was made in section "a.c" and "e". Particularly:

- ▶ Based on subsection "a.d", in the line 16.1 must be indicated the dividends distributed to the commercial banks, credit union, insurance companies, microfinance organizations and pawnshops, if the profit was generated from 1st of January 2008 till 1st of January 2017
- ▶ Based on subsection "f", in the line 16.1 mustn't be indicated distributed profit, by the permanent establishment of non-resident enterprise, if the profit was generated till 1st of January 2017
- ▶ Based on the amendment made in subsection "e", in the above mentioned cell mustn't be indicated the distribution of dividends received from the commercial banks, credit union, insurance companies, microfinance organizations and pawnshops, which is generated from 1st of January 2008 till 1st of January 2019
- ▶ In the subsection "a.c" it is specified that in the cell 16.1 must be indicated only the dividends distributed to the commercial banks, credit union, insurance companies, microfinance organizations and pawnshops, till 1st of January 2019, if the profit was generated from 1st of January 2017 till the 1st January 2019.

Amendment came into force from 31 March 2018.

AUTHOR'S COLUMN

This publication covers important new tax changes that business should take into consideration for their daily operations and governance.

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TRANSITIONAL PROVISIONS

Amendment was also made into the 13th part of the transitional provisions, based on which till 31 December 2019, chosen person will be compensated by the Revenue Service with the nominal value of mandatory marking of non-excisable goods, instead of nominal value of the excisable good based on the agreement made with the chosen person.

Above mentioned amendment is applicable for the legal relationships created from 1st of January 2018.



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