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Amendment to the Order

Submission of information by the renter of the facilities located on the market area

On March 15, 2024 the order №80 of the Minister of Finance of Georgia was published, that amended the order №996 of the Minister of Finance of Georgia dated December 31, 2010 "On Tax Administration".

According to the amendment, a new article 39⁵ has been added to the mentioned order, that refers to the obligation of submission of information by the person renting out the fixed and mobile trading facilities in the market area. In particular, it was determined that, a person renting out (including sub rental) a fixed and mobile trading facilities intended for selling of goods on the territory of the market area is obliged to submit to the tax authority information electronically about those persons (including sub-lessees) carrying out economic activities in this territory, to whom the fixed and mobile trading facilities are rented out for a period of more than one calendar day.

It should be noted that before this amendment, the obligation to receive the status of organiser of a market and to submit information about the persons conducting economic activities within the territory of the market has already been defined for the above-mentioned lessors. According to the amendment, the mentioned persons have to submit more detailed information about the lessee of the market area, and at the same time, the said information should be submitted electronically. In order to send the information by the person electronically, the appropriate software is being developed on the authorized page of the user eservices.rs.ge.

As a result of the amendment, the area of the information to be submitted has also been increased, in particular, the market is obliged to submit the following information no later than the 15th of the month following the month when the fixed and mobile trade facilities are rented out in the territory of the market:

- Name, identification number, legal form and legal address of the renter
- Brand name of the market
- Land cadastral code(s) and corresponding address(es)
- Quantity of fixed and mobile trade facilities
- Information about the tenants and sub-tenants, including: name, identification number, legal form, in the case of a natural person - information about citizenship
- Type of activity of the renter/tenant
- Area (sq.m) and type of the rented/sub-rented facility
- Rent/sub-rent agreement number, date, amount in national currency, start date, end date, amendment and termination dates
- Other information determined by the order of the head of the revenue service.

In the event of composition change of persons carrying out economic activity in the territory of the market (prolongation or termination of the contract), the market is obliged to

submit the above-mentioned information no later than the 15th of the month following the month of the corresponding change.

In addition to the obligations imposed on the renters of fixed and mobile trade facilities intended for the sale of goods on the territory of the market, new obligation was also imposed on the tenant (sub-tenant) in the territory of the market. In particular, in case of sub-renting of fixed and mobile trade facilities in the territory of the market, the tenant/sub-tenant is obliged, within 5 working days after the sub-renting, to notify the person, who rents out (including sub-rent) fixed and mobile facilities intended for the sale of goods in the territory of this market in order to submit the information stipulated in this article.

As you are aware, a market (market area) is a parcel of land owned/possessed by a person and/or group of persons, on which fixed and mobile trade facilities or only mobile facilities (at least 10) are located, which are designated for selling goods.

Also, as a result of the amendment, a new part 69 has been added to the Article 112 of the transitional provisions of the said order, according to which it was determined that a person who is renting out the fixed and mobile trade facilities in the territory of the market and the said rent relationship is established before April 1, 2024, is obliged to submit information to the tax authority no later than May 31, 2024.

The amendment came into force from 1 April 2024.

AUTHOR'S COLUMN

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

This issue provides information on amendments to the order on submission of information by the renter of the facilities located on the market area.

Please contact BDO to discuss these matters in the context of your particular circumstances.

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