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TAX NEWSLETTER

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Amendment to the Law

Extension of the Period of Exemption from VAT With the right to deduct for the Supply of Real estate and related construction and installation Services

On October 16, 2026, Georgian Law 1888-VIმს-XIმპ was published that made an amendment into the Tax Code of Georgia (Hereinafter "GTC"). The amendments concerning the extension of the validity period affected the supply of certain categories of immovable property (as provided for in Article 309, Paragraph 79), as well as the provision of construction and installation services related to the property supplied by the supplier of such immovable property. In particular, these transactions were exempt from VAT with the right of deduction, provided that the supply was carried out during the period from 2015 until January 1, 2029, and the project design documentation/construction permit had been obtained before August 8, 2008. As a result of the amendment, the validity period of the tax relief was extended, meaning that the supply of such assets will continue to be exempt from VAT with the right of deduction, provided that the supply is carried out before January 1, 2033.

The amendment also resulted in the adjustment of the statutes of limitations applicable to the above-mentioned transactions. In particular, the statute of limitations periods prescribed under Article 4 of GTC for the relevant reporting periods, in respect of taxable transactions exempted under the above-mentioned tax reliefs and carried out during the reporting periods from January 1, 2015, until January 1, 2029, were extended by 4 years.

The amendment came into force from October 17, 2026

Taxation of Income Received as a result of participation in International Gambling Tournaments

On October 30, 2026, Georgian Law 1904/5-VIმს-XIმპ on Amendments to GTC was published. As a result, the taxation rules applicable to income received as a result of participation in international gambling tournaments were established.

According to the amendment, the definition of an international gambling tournament was added to GTC, as defined by "Georgian law on Organizing Lotteries, Gambling and Games of Chance". Under this Law, an international gambling tournament is defined as a game organized by the holder of a casino permit through a club table, the prize fund of which is guaranteed in advance by the organizer and at least 80 percent of whose total number of participants are foreign citizens. Furthermore, if the organizer uses the club table exclusively for organizing an international gambling tournament with a prize fund exceeding GEL 3,000,000 (three million), the gambling business fee established for club tables under the Law of Georgia on Gambling Business Fees shall not be paid.

Additionally, Articles 81, 82 and 154 of GTC were amended. According to these amendments, taxable income received by an individual as a result of participation in

such a tournament shall be taxed at a rate of 20% by the casino organizer, while taxable income received by a foreign citizen as a result of participation in an international gambling tournament shall be exempt from personal income tax, provided that the tournament's prize fund exceeds GEL 3 million.

In connection with the amendment, the following Laws of Georgia were also published on October 30, 2026: 1904/1-VIმს-XIმპ, 1904/2-VIმს-XIმპ, 1904/3-VIმს-XIმპ and 1904/4-VIმს-XIმპ, which establish the rules for organizing international gambling tournaments and issuing permits, as well as the applicable fees and other important details.

The amendment came into force from October 31, 2026

Amendment to the Order

Amendment to the Rules for Reflecting VAT Amounts upon the Adjustment of Tax Invoices and Special Tax Invoices for Oil Products

On October 1, 2026, Order №306 of Minister of Finance of Georgia was published introducing amendments to Order №996 of December 31, 2010, titled “On Tax Administration”. As a result, the rules for reflecting VAT amounts upon the adjustment of tax invoices and special tax invoices for oil products were updated.

Under the amendments, the adjustment appendices of tax invoices and special tax invoices for oil products were updated. Furthermore, a new Subparagraph "d" was added to Paragraph 2^1 of Article 53, which establishes the information to be reflected in the relevant lines of the electronic form upon the adjustment of a tax invoice. In particular, upon the adjustment of a tax invoice, Line 9.1.1 must indicate the positive difference between the VAT amounts specified in the initial/previous adjustment tax invoice and the adjustment tax invoice, which represents an increase in the adjustment amount. Line 9.2.1 must reflect the negative difference between the above-mentioned amounts, which represents a decrease in the adjustment amount.

The amendment also affected Paragraph 4 of Article 53^1 of the Instruction, which concerns the rules for issuing a tax invoice when the compensation amount, or a part thereof, for goods to be supplied/services to be provided is paid. In particular, in this case, Lines 7.1 and 7.2 shall reflect both the amounts of increase and decrease resulting from the adjustment.

A similar rule shall also apply to cases involving the issuance of an adjustment special tax invoice for oil products, the appendix of which has also been supplemented with new Lines 9.2.1 and 9.3.1 for reflecting an increase or decrease in the adjustment amount.

The amendment came into force from November 1, 2026

Approval of Standard Forms of Agreements on Deferral of Payment of Recognized Tax Liabilities and Surety Agreements

On August 20, 2026, Order №18821 of the Head of Revenue Service was issued, approving two forms of agreements on deferral of payment of recognized tax liabilities - for cases involving deferral with and without security, as well as a form of surety agreement.

The amendment also established the obligations of the debtor and the surety, including compliance with the payment schedule, timely fulfillment of tax obligations, and the requirement to deposit the surety amount into the relevant budget account within 3 working days.

It should be emphasized that, upon the entry into force of the above-mentioned Order, Order № 9836 of the Head of Revenue Service of February 21, 2014, “on Approval of Standard Forms of Agreements on Deferral of Payment of Tax Liabilities and Surety Agreements” was declared invalid.

The amendment came into force from August 20, 2026

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Mandatory Procedure for Issuing a Purchase Act upon the Purchase of Goods from a Natural person

On November 27, 2026, Order №332 of Minister of Finance of Georgia was issued, introducing amendments to Order №996 of December 31, 2010, titled "On Tax Administration".

According to the amendment, the Head of Revenue Service is entitled to establish, by an individual administrative-legal act, the form and procedure for recording the supply, movement and balances of goods for certain categories of taxpayers and/or in respect of certain goods.

Furthermore, if a special form and procedure for recording specific business transactions have been established, a document prepared in compliance with the relevant requirements shall be considered a document confirming the expenses incurred in connection with the respective transaction, and the submission of an additional expense-confirming document shall not be required for this purpose under this provision.

The above-mentioned rule does not exempt the taxpayer from fulfilling other requirements prescribed by legislation or from the obligation to issue other accounting documents.

In connection with the amendment, Order №24839 of the Head of Revenue Service was also published on November 2, 2026, establishing the procedure for issuing a purchase act upon the purchase of goods from a natural person. In particular, when purchasing goods from a natural person within the scope of economic activity, the taxpayer shall be obliged to electronically issue a purchase act through the authorized webpage of Revenue Service and ensure its confirmation by the natural person selling the goods.

Issuing a purchase act shall not be mandatory in cases where a waybill, a special tax invoice for oil products or a tax document has been issued for the purchase, as well as in the case of purchasing timber and goods subject to registration.

Issuing a purchase act shall be voluntary when purchasing services from a natural person or purchasing goods from persons having a special taxation regime status and/or individuals registered as VAT payers.

It should be emphasized that the purchase act must be issued no later than the last day of the month following the month in which the goods were purchased. The seller shall have the opportunity to confirm or reject the document within the two months following the month in which the transaction was carried out.

We remind you that the procedure for issuing the purchase act applies to the relevant business transactions carried out from December 1, 2026.

The amendment came into force from December 1, 2026

AUTHOR'S COLUMN

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

The publication provides an overview of key tax and other legislative developments, highlighting their practical implications and other relevant issues.

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

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