



Amendment to the order

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Allocation of the received advance payments with a Tax invoice

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On August 5, 2025, the Minister of Finance of Georgia issued Order №207, introducing amendments to Order №996 of December 31, 2010, titled “On Tax Administration”. As a result of the amendment, the rule for the allocation of the received advance payments was updated for legal relations arising from 1 September 2025.

The amendment affected Articles 53 and 58 of Order №996 (Issuance of a Tax Invoice in case of supply of goods/services; Issuance of a Special Tax Invoice for petroleum products) and added new paragraphs 2¹. Consequently, from 1 September 2025, a taxable person shall reflect in the tax invoice issued for the supply of goods/services, the data of the advance VAT tax invoices issued for the pre-received compensation amount of the same goods/services if the advance payment is also made after 1 September 2025, on the basis of which the amount of VAT charged, according to which it shall reduce the amount of VAT charged according to the tax invoice issued for the supplied goods/services based on the cancellation of the advance.

A relevant illustrative example related to the amendment is also published in Article 48¹ of the same Order, which explains the practical application of the updated rule. For legal relations arising before 1 September 2025, for the purpose of reducing the amount of charged VAT, it is still possible to reflect the data of the received advance invoice in the relevant annex of the VAT declaration by



pairing it with the data of the tax invoice issued for the supply of goods/ services.

On the basis of this amendment, the forms of Tax Invoice and Special Tax Invoice were accordingly updated.

The amendment came into force from September 1, 2025

AUTHOR'S COLUMN

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

The publication concerns the issue of allocation of received advances.

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

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