

Tax and Legal Alert

Overview of changes in Georgian legislation August, 2018

Legal news:

Law of Georgia on Pension Savings

The parliament of Georgia approved a law on pension savings, which determines the compulsory and voluntary participation in the pension scheme and accumulates the pension scheme.

The accumulated pension scheme will be launched from January 1, 2019.

This Law applies to:

- a) Employers;
- b) Citizens of Georgia, other than non-resident individuals;
- c) Foreign citizens living in Georgia and / or stateless persons permanently living in Georgia, other than non-resident individuals;
- d) Asset management companies, specialized depositors, commercial banks, insurance companies and other persons within the scope of such activities related to accumulated pensions.

The system will work with 2+2+2 scheme. This means that employees will pay 2% of their gross salaries towards their pension, while employers and the government will add another 2% each.

The new programme will be mandatory for legally employed people under 40, meaning they will be enrolled automatically, and voluntary for people above 40 as well as for self-employed citizens.

Source and Date of Publication - Legislative Herald of Georgia, 06/08/2018.

Government Resolution on providing information on food to Customers

Resolution of the Government of Georgia No. 301 - Technical Regulation - On Approval of the Supply of Food Information for the Consumer came into force on September 1, 2018.

The goal of the Technical Rules is to protect consumers' rights and ensure efficient functioning of the domestic market.

The technical regulation establishes general principles, requirements and information processing procedures related to information on the food label



and applies to the food subject to state control designed for the end-user, including public catering facilities and public catering Supplied food. Along with the requirements defined by this Technical The resolution was published on 8 July 2016 and entered into force on 1 September 2018.

Source and Date of Publication: Legislative Herald of Georgia, 08/07/2016.

Amendments to the Organic Law of Georgia on "National Bank of Georgia"

On the website of the Legislative Herald of Georgia the amendment was published of the Organic Law on

Rules for the specific species of food, the label shall contain information provided by the Georgian legislation.

National Bank of Georgia, which states that cash payment on the territory of Georgia is based on the principle of rounding. The principle of rounding is based on the amount or the amount of money that is rounded to the nearest 5.

The amendment will come into force from January 1, 2019.

Source and Date of Publication: The Legislative Herald of Georgia, 21/07/2018.

Tax news:

The amendment was made to Article 309 of the Tax Code of Georgia, which envisages the write-off of the accrued and unpaid tax debt as well as the fines accrued on it, until January 01, 2013.

Source and Date of Publication - Legislative Herald of Georgia, 01/08/2018.

Chapter XIX³ was added to the Order #996 of the Ministry of Finance of Georgia, according to which, the rules and conditions on VAT refunding for a VAT payer registered in an EU member country, are determined.

Source and Date of Publication - Legislative Herald of Georgia, 29/08/2018.

Matters covered in this publication are intended for general overview and discussion. They are not intended, and shall not be used, as substitute to seeking professional advice for specific issues.

Contacts

In case you need additional information, our tax specialists will be happy to comment and clarify all possible matters on the amendments, as well as assist with their practical implementation in accounting system and tax assessment practices.

Vakhtang Tsabadze

Managing Partner

M +995 599 989 203

E vakhtang.tsabadze@ge.gt.com

54 Ketevan Tsamebuli Ave,
0144 Tbilisi, Georgia

T +995 (0) 322 604406

W www.grantthornton.ge

Ketevan Ghambashidze

Tax Director

M +995 593 939430

E ketevan.ghambashidze@ge.gt.com

Gvantsa Khabuliani

Legal Advisor

M +995 591 206 803

E gvantsa.khabuliani@ge.gt.com

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