

Jurisdiction's name:

GEORGIA

Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

According to Georgian legislation, Georgian residency is granted to individuals under the Article 34 of Georgian Tax code and Joint Order №991-№250 of 31 December 2010 of the Minister of Finance of Georgia and Minister of Justice of Georgia on "Approval of the Rule granting the Georgian residency to high net worth individuals".

According to Article 34 of Georgian tax code:

1. A Georgian resident for the entire current tax year shall be a natural person who has actually stayed in the territory of Georgia for 183 or more days in any continuous 12-calendar-month period ending in that tax year, or a natural person who was in a foreign country in the public service of Georgia during that tax year.

2. The time of actual stay in the territory of Georgia shall be the time, during which a natural person stayed in Georgia, as well as the time he/she spent outside Georgia specifically for treatment, leisure, business trip or education.

3. The time of actual stay in the territory of Georgia shall not include the time, during which a natural person stayed in Georgia:

a) as a person having a diplomatic or consular status or as a family member of such person;

b) as an employee of an international organization acting under an international agreement of Georgia or as a person in the public service of a foreign country in Georgia or as a family member of such person, other than Georgian citizens;

c) when moving from one foreign country to another via the territory of Georgia;

d) for treatment or leisure.

4. The day of actual stay in the territory of Georgia shall be the day, during which a natural person stayed in Georgia irrespective of the length of the stay.

5. If the residency of a natural person cannot be established in relation to any country, such natural person shall be deemed to be a Georgian resident if he/she applies to a tax authority, provided he/she is a Georgian citizen.

6. non-resident in Georgia shall be a person who is not a resident under this article.

7. The status of a resident or of a non-resident is established for each tax period. At the same time, the days, according to which the natural person was deemed as a resident in the previous tax period, shall not be taken into account in establishing the status of residency in the following tax periods.

Procedures for granting the residency is determined according to the Decree №633 of December 28, 2011 of the Minister of Finance on „Approval of the Rule granting tax benefits and refunding the taxes paid by non-resident in Georgia according to International agreement on avoidance of double taxation”.

In addition to the Article 34 of the Tax Code high net worth individuals can also use the joint decree №991-№250 to become Georgian residents. In particular:

Natural person for granting the residency of Georgia shall submit to the Revenue Service:

a) Identity / residence permit and documents confirming that the property of a natural person exceeds 3 million GEL or its annual income over the last three years exceeds 200 000 GEL; or

b) Identity / residence permit and documents confirming that the property of a natural person exceeds 3 million GEL or its annual income over the last three years exceeds 200 000 GEL documents confirming that the natural person receives 25,000 GEL or more Georgian source income during the tax year.

Section II – Criteria for Entities to be considered a tax resident

According to paragraph 20 of Article 8 of Georgian tax code Resident legal person is Georgian enterprise or a Georgian organization. According to Article 22 of Georgian tax code A Georgian enterprise shall be an enterprise whose place of business and/or management is based in Georgia.

Section III – Entity types that are as a rule not considered tax residents

A foreign enterprise shall be an enterprise that is not a Georgian enterprise under paragraph 1 of the Article 22 of tax code (paragraph 2 of the Article 22 of Georgian tax code).

Section IV – Contact point for further information

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