



Georgia

The Tax Code of Georgia establishes that a taxable person who is not registered or has no permanent residence in Georgia or does not have a permanent representative office in Georgia engaged in the supply of digital services in Georgia must pay value-added tax (VAT). The rule came into force on October 1, 2021.

VAT Standard rate

The standard VAT rate in Georgia in 2024 is 18%.

Threshold

There is no registration threshold for electronic service providers in Georgia.

E-services list

- Website hosting and webpage hosting;
- Automated, online, and distance maintenance of programs;
- Remote systems administration;
- Online data warehousing where specific data is stored and retrieved electronically;
- Online supply of on-demand disc space;
- Accessing or downloading software (including procurement/accountancy programs and anti-virus software) plus updates;
- Software to block banner adverts showing, otherwise known as Bannerblockers;
- Download drivers, such as software that interfaces computers with peripheral equipment (such as printers);

Online automated installation of filters on websites;
Online automated installation of firewalls;
Accessing or downloading desktop themes;
Accessing or downloading photographic or pictorial images or screensavers;
The digitized content of books and other electronic publications;
Subscription to online newspapers and journals;
Weblogs and website statistics;
Online news, traffic information, and weather reports;
Online information generated automatically by software from specific data input by the customer, such as legal and financial data, (in particular such data as continually updated stock market data, in real-time);
The provision of advertising space including banner ads on a website/web page;
Use of search engines and Internet directories;
Accessing or downloading music to computers and mobile phones;
Accessing or downloading jingles, excerpts, ringtones, or other sounds;
Accessing or downloading films;
Downloading of games to computers and mobile phones;
Accessing automated online games which are dependent on the Internet, or other similar electronic networks, where players are geographically remote from one another;
Receiving radio or television programs distributed via a radio or television network, the internet, or similar electronic network for listening to or viewing programs at the moment chosen by the user and at the user's individual request on the basis of a catalog of programs selected by the media service provider such as TV or video on demand.

Pieces of evidence

The client's location can be established if one of the following location certificates confirms his location as being in Georgia:

Customer's bank details or payment system;
The buyer's home address;
The client's IP address;
The telephone country code of the client of the device used to access the service (+995).

Registration procedure

To register, you need to fill out a special form “Registration form of a foreign taxpayer” on the website of the Georgian Revenue Service.

To fill out the form, you will need some information about the company, for example:

- Country of incorporation for tax purposes;
- Activity code and description;
- Establishment country tax identification number.

After completing and submitting this form, the Tax Service of Georgia will provide registered digital companies with instructions on the next steps for filing VAT reports.

Keeping records

Keep accounting records for 3 years from the end of the year in which the service was supplied, in order to determine the accuracy of the tax obligation.

Filing VAT returns

No, later than the 20 days of the month following the accounting period (quarter).

VAT payment date

No, later than the last day of the month following the accounting period (quarter).

Penalty

Violation of the deadline established by the tax legislation of Georgia for filing a tax return/calculation of tax to the tax authority, if the delay period does not exceed 2 months, entails the imposition of a fine in the amount of 5% of the amount of tax payable on the basis of the tax return. At the same time, the total amount of the penalty for the entire period of delay may not exceed 30% of the amount of tax payable;

Violation of the deadline established by the tax legislation of Georgia for filing a tax return/calculation of tax to the tax authority, if the delay period exceeds 2 months, entails the imposition of a fine in the amount of 10% of the amount of tax payable on the basis of the tax return/calculation of tax;
If the amount of tax payable on the tax return/tax calculation is zero, the fine under this article is not imposed on the person.