



Taxation of international executives: Georgia



February 2024

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01

Overview and Introduction

1 Overview and Introduction

Residents are taxed on their worldwide income. Non-residents are taxed only on their Georgian- sourced income.

The income tax rate is 20 percent. There are cases (depending on the type of income, source of income, and/or status of beneficiary) for which the tax rate is 5 percent (withholding tax on dividends, withholding tax on interest, withholding tax on royalties paid to non-resident, rental income from residential property, taxable income derived from the sale of motor vehicle or a residential building along with the attached land), or 10 percent. For service payments (including interest and royalties) to a non-resident in the list of offshore countries/jurisdictions designated by the government, the WHT rate is 15 percent.

The rate is fixed, it does not depend on the total amount of income received. The official currency of Georgia is the Lari (GEL).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When are tax returns due? That is, what is the tax return due date?

31 March. If this date falls on a Saturday or Sunday, then the due date is the following Monday.

What is the tax year-end?

31 December.

What are the compliance requirements for tax returns in Georgia?

Residents

An employer shall present tax returns according to the amounts of salaries and taxes paid and withheld according to a reporting month on a monthly basis (until the 15th day of the month following the reporting month).

The return inter alia contains information about the registration number of that person, their name, living address, the total amount of income, and the total amount of tax withheld during the reporting period.

The employees have no obligation to file a tax return regarding their remuneration which is taxable at the source of Georgia. However, an employee may file a tax return in order to claim a refund or recalculation of the tax withheld from remuneration; this may be the case, for example, when the employee has the right on tax concessions.

Tax returns are required to be filed by a resident individual having income not taxed at the source of payment in Georgia.

Non-residents

Compliance requirements for tax returns of non-residents employment income are the same as for resident employees (please see above).

Tax returns are required to be filed by non-residents having income from a Georgian source that is not subject to tax at the source of payment.

2.2 Tax rates

What are the current income tax rates for residents and non-residents in Georgia?

Residents

| Type of income | Tax rate (Percent) | Taxable through withholding (W)/Filing tax return (R) |
|--|--------------------|---|
| Employment | 20 | W |
| Interest from Georgian source | 5 | W |
| Dividends from Georgian source | 5 | W |
| Taxable income of entrepreneur individuals | 20 / 1 / 3 | R |

| Type of income | Tax rate (Percent) | Taxable through withholding (W)/Filing tax return (R) |
|---|--------------------|---|
| Royalty | 20 | W |
| Capital gains | 20 / 5 | R |
| Rent | 20 / 5 | W/R |
| Income earned from organizing gambling in a systemic-electronic form* | 10 | R |
| Income derived from systemic-electronic gambling** | 2 | W |

Non-residents

| Type of income | Tax rate (Percent) | Taxable through withholding (W)/Filing tax return (R) |
|--|--------------------|---|
| Employment | 20 | W |
| Dividends | 5 | W |
| Interest | 5 | W |
| Royalty | 5 | W |
| International traffic, international telecommunication | 10 | W |
| Rent | 20/ 5 | W / R |
| Other payments (except of sale of property) | 10 | W |
| Capital gains | 20/ 5 | R |
| Service payments (including interest and royalty) to a nonresident in the list of offshore countries/jurisdictions | 15 | W |
| Taxable income of individuals through their permanent establishment | 20 | R |
| Income earned from organizing gambling in a systemic-electronic form* | 10 | R |
| Income derived from systemic-electronic gambling** | 2 | W |

* Effective from January 1, 2024, the rate will be further increased to 15%. Additionally, the same rate would apply to a person arranging a gambling machine salon.

** Effective from January 1, 2024, the rate will be further increased to 5%. Additionally, the same rate would apply to the income derived from gambling machines.

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Georgia?

Residency is defined by the tax code of Georgia as follows.

- During the entire current tax year, an individual shall be recognized as a resident of Georgia if they were actually present on the territory of Georgia for 183 days or more in any continuous calendar 12-month period ending in this tax year or was in the Georgian state service abroad during the tax year.
- Actually present shall be considered as the time of actual presence on the territory of Georgia during which a person has been on the territory of Georgia, as well as the time period which they have spent outside the territory of Georgia specifically for the purposes of medical treatment, vacation, business trip, or study. Time during which a person was in Georgia is not considered as a time of actual presence on the territory of Georgia if they stayed:
 - 1 as a person having diplomatic or consulate status or as a family member of such person
 - 2 as a staff member of an international organization under Georgian international agreements, or as a person who is in the state service of a foreign country/jurisdiction, and/or a family member of such a person, except citizens of Georgia
 - 3 exclusively for moving from one foreign country/jurisdiction to another through the territory of Georgia or
 - 4 only for medical treatment or resting purposes.

A day of presence in Georgia is considered any day during which a person actually stayed on the territory of Georgia, regardless of the duration of this stay.

The status of residence or non-residence is established for each tax period. Moreover, days, according to which the person was considered a resident during the previous tax period, shall not be considered while establishing residency for the following tax period.

An individual is regarded as a non-resident of Georgia if they do not comply with the criteria established for residency.

Irrespective of the above-mentioned criteria established for residency, Georgian residency may be granted:

- 1 to a high net worth individual according to the rule and the conditions prescribed by the Minister of Finance of Georgia.
- 2 to Georgian citizen, if it is impossible to identify the residency of this individual for any country/jurisdiction and the individual appeals to the Georgian tax authorities
- 3 to foreign citizen according to the rule and conditions prescribed by the Minister of Finance of Georgia

Is there, a de minimums number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

No.

What if the assignee enters the country/jurisdiction before their assignment begins?

No special implications.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Georgia?

No special implications.

What if the assignee comes back for a trip after residency has terminated?

No special implications.

Communication between immigration and taxation authorities

Do the immigration authorities in Georgia provide information to the local taxation authorities regarding when a person enters or leaves Georgia?

This does not happen automatically; the tax authorities may request to provide relevant information on a case-to-case basis.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

No, if the Georgian sourced income is taxed at the source of payment.

2.5 Economic employer approach¹

Do the taxation authorities in Georgia adopt the economic employer approach to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Georgia considering the adoption of this interpretation of economic employer in the future?

No. However, the tax authorities can apply the substance over form principle.

De minimus number of days²

Are there a de minimus number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?

No.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

- income from employment (wages, salaries)
- income from economic activities, including:
 - 1 dividends
 - 2 interest (except of interest from deposits)
 - 3 income earned from financial leasing, usufruct, lease, rent, or any similar activity
 - 4 royalties.
- other income not related to economic activities.

Intra-group statutory directors

¹ Certain tax authorities adopt an “economic employer” approach to interpreting Article 15 of the OECD model treaty which deals with the Dependent Services Article. In summary, this means that if an employee is assigned to work for an entity in the host country/jurisdiction for a period of less than 183 days in the fiscal year (or, a calendar year of a 12-month period), the employee remains employed by the home country/jurisdiction employer but the employee's salary and costs are recharged to the host entity, then the host country/jurisdiction tax authority will treat the host entity as being the “economic employer” and therefore the employer for the purposes of interpreting Article 15. In this case, Article 15 relief would be denied, and the employee would be subject to tax in the host country/jurisdiction.

² For example, an employee can be physically present in the country/jurisdiction for up to 60 days before the tax authorities will apply the “economic employer” approach.

Will a non-resident of Georgia who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company situated in Georgia) trigger a personal tax liability in Georgia, even though no separate director's fee/remuneration is paid for their duties as a board member?

a) Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Georgia?

b) Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Georgia (i.e., as a general management fee where the duties rendered as a board member is included)?

c) In the case that a tax liability is triggered, how will the taxable income be determined?

There is no established tax practice with regard to case above and the issue itself is not straightforward depending on whether the person in question can be qualified as a director for Georgian tax legislation purposes, thus detailed analysis needs to be carried out considering specific set of conditions for each case.

Below answer is based on the assumption that the individual in questions (hereafter - statutory director) is a Georgian non-resident and no remuneration is paid by the Georgian company.

According to Georgian Tax Legislation holding a position/performing duty of a director - is considered to be an employment.

In case the duties performed by the statutory director is qualified as service (rather than employment) it seems that no personal tax liability will be triggered in Georgia in the absence of a physical presence of the individual on the territory of Georgia. However, if the statutory director is physically present at the board meetings in Georgia it will be considered that service was performed on the territory of Georgia and thus, they have received Georgian sourced income which is taxable in Georgia irrespective of the fact whether the cost was allocated to Georgian company or not. The amount of the taxable income might be determined based on the costs allocated to the Georgian company or otherwise calculated on pro-rata basis considering the individual's working timesheet.

In case the duties performed by the statutory director is qualified as an employment, the income received for the work performed by them on the territory of Georgia and also in relation to their role at Georgian company (Both in and outside of Georgia) may be taxable in Georgia irrespective of the fact whether the cost was allocated to Georgian resident company or not. The amount of the taxable income might be determined based on the costs allocated to the Georgian resident company and/or calculated on pro-rata basis considering the individual's working timesheet.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Georgia? If so, please provide a general definition of these areas.

Overseas income of resident individuals (that is income derived not from the source of Georgia) is exempt from income tax.

Furthermore, several types of income are exempt from income tax, including the following.

- Income from employment of a non-resident employee of diplomatic or equalized organizations located on the territory of Georgia.
- Income from employment of a non-resident employee provided that the employee spends less than 31 days in a calendar year in Georgia and the expenses on salaries are not attributable to the permanent establishment in Georgia.

- Grant, state pension, state compensation, state academic stipends, cumulative, and repayable pension from non-state pension scheme equal to payments made, state scholarship, and assistance assigned by the state budget, autonomous republic, or local budgets.
- Monetary and other type of rewards, received by sportsmen, their trainers and medical personnel for being a prize winner in the Olympic Games, Chess Championships, European Games and World Youth Olympic Games World and European Championships.
- Alimony.
- The value of property received on the basis of divorce.
- The value of property received gratuitously or by inheritance in the course of a tax year by I and II level legatee.
- The value of property up to GEL150,000 received gratuitously or by inheritance in the course of a tax year by III and IV level legatee.
- The value of property received gratuitously up to GEL1,000 in the course of a tax year.
- The surplus (that is the excess of revenue above cost) received by an individual from the sale of a dwelling belonging to them for more than a 2-year period (in the case of a sale of a car, Tax Code of Georgia (TCG) establishes more than a 6-month period).
- The surplus (that is the excess of revenue above cost) received by an individual from the sale of asset belonging to them for more than a 2-year period, to the extent that it was not used in economic activity/or 2 years have passed since the last use of the asset in the economic activity (mere holding of shares/securities for the purposes to receive dividends/interest is not considered as they were used in economic activity).
- Starting from 1 January 2018 gains realized on the disposition of shares/loan securities issued by a Georgian resident through public offering in Georgia for trading on stock market recognized by National Bank of Georgia.
- Starting from 1 January 2018 interest income received on loan securities issued prior to 1 January 2026 by a Georgian resident through public offering in Georgia for trading on stock market recognized by National Bank of Georgia.

Besides, for certain individuals the TCG provides some exemptions/allowances for income tax, for example a taxable income of the following individuals shall not be subject to income tax,

- Up to GEL3,000 in the course of a calendar year.
 - Single parents.
 - A person who adopted a child, within 1 year from adoption.
 - A person who has obtained a guardianship for bringing up a child.
- Up to GEL6,000 in the course of a calendar year.
 - A person with a limited capacity from childhood.
 - An individual with a status of a person permanently residing in a high mountain settlement.

An individual with a micro business status is exempt from income tax.

There is a special regulation regarding business travel expenses for employees residing (with the working place) in Georgia; the remuneration for these expenses is not considered as salary up to the certain threshold and accordingly is not taxed. Particularly, the compensation consists of a daily allowance³, remuneration for actual cost of transportation, and hotel expenses⁴.

³ It is GEL 30 per day within the territory of Georgia, as for outside of Georgia it varies from country/jurisdiction (city) to country/jurisdiction (city).

⁴ It is compensated on actual cost incurred within the territory of Georgia, as for outside of Georgia compensation varies from country/jurisdiction (city) to country/jurisdiction (city).

2.8 Expatriate concessions

Are there any concessions made for expatriates in Georgia?

There are no specific concessions for expatriates in Georgia.

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Georgia? If so, how?

Residents are taxed on worldwide income. However, overseas income of resident individuals is exempt from the income tax. Non-residents are taxed only on Georgian-sourced employment income.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Georgia? If so, how?

Capital gains

- The surplus (that is the excess of revenue above cost) received by an individual from the sale of residence belonging to them for more than a 2-year period (in the case of a sale of a car, TCG establishes more than a 6-month period) is exempted from income tax.
- The surplus (that is the excess of revenue above cost) received by an individual from the sale of asset belonging to them for more than a 2-year period, to the extent that it was not used in economic activity is exempt from income tax.

In cases when the above-mentioned assets are sold within a 2-year (6-month) period, the income tax rate of 20 percent should be applied unless the surplus income is derived from the sale of motor vehicle or a residential building along with the attached land, where the surplus is taxed at the rate of 5 percent. Tax should be paid, and a tax return presented until 1 April of the following year. Starting from January 1, 2024, capital gains should be reflected on monthly tax returns submitted no later than 15th of the month following the transaction month. The same would be the deadline for tax payment.

Dividends, interest, and rental income

Dividends

Dividends arising from a Georgian source and paid to the individual are taxed at the source of payment at the rate of 5 percent. The payer as a tax agent is obliged to withhold the tax and pay it to the state budget at the moment of payment of the income; dividends so taxed are not subject to further taxation, provided that this income is not related to the permanent establishment of a non-resident on the territory of Georgia.

Interest

Interest arising from a Georgian source and paid to the individual is taxed at the source of payment at the rate of 5 percent. Interest payments to a non-resident in the list of offshore countries/jurisdictions is subject to tax at the rate of 15 percent at the source of payment. The payer as a tax agent is obliged to withhold the tax and pay it to the state budget at the moment of payment of the income; interest so taxed is not subject to further taxation. It should be noted that interest paid by licensed financial institutions to individuals is not subject to neither withholding tax nor further taxation.

Rental income

The income is subject to income tax at the rate of 20 percent unless the rental income is received by a natural person for renting residential space to natural or legal person in which case the rental income is taxed at the rate of 5 percent.

Gains from stock option exercises

| Residency status | Taxable at: | | |
|-----------------------|-------------|------|----------|
| | Grant | Vest | Exercise |
| Resident | N | Y | Y |
| Non-resident | N | Y | Y |
| Other (if applicable) | N/A | N/A | N/A |

Generally, any compensation or in-kind benefit of an individual received as a result of an employment is considered as employment income. The value of in-kind benefits in the majority of cases (including abovementioned) is determined as the market value of the benefit less any amount paid by the employee.

Foreign exchange gains and losses

Since the taxable income of an individual in the majority of cases is calculated on a cash basis, it is not applicable.

Principal residence gains and losses

See Capital Gains.

Capital losses

Losses arising upon the sale of property by individual are compensated from proceeds received upon the sale of such property. If the losses cannot be compensated in the year in which they took place, they cannot be carried forward, unless the individual is an entrepreneur and the asset has been used in its business activities, in this case the loss carried forward period is normally 5 years.

Personal use items

Not applicable.

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Georgia? If so, please discuss?

Not applicable.

Are there capital gains tax exceptions in Georgia? If so, please discuss?

See capital gains

Pre-CGT assets

Not applicable.

Deemed disposal and acquisition

Not applicable.

2.12 General deductions from income

What are the general deductions from income allowed in Georgia?

Generally, all expenses related to the receipt of gross income are allowed to be deducted from the gross income. However, there are some exceptions, which set a certain limit or do not permit at all deductibility for particular expenses. Exceptions include the following.

- Some kinds of limitations are imposed on the deductions of representation expenses, interest charges, losses of previous years, capital expenditures, and so on.
- The following are not deductible from the gross income:
 - 1 the expenses related to the receipt of income exempt from income tax
 - 2 entertainment expenses
 - 3 income tax paid on the territory of Georgia and other countries/jurisdictions
 - 4 penalties paid or payable to the budget
 - 5 expenses related to receipt of wages.

Furthermore as a rule, expenses not related to economic activity are not deductible from the gross income.

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Georgia?

Current year reimbursement (cash basis) is the normal method of recognizing tax reimbursements paid by the employer.

2.14 Calculation of estimates/prepayments/withholding

How are estimates/prepayments/withholding of tax handled in Georgia? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

PAYE withholding system is applied to employment income with no deductions for employee expenses.

When are estimates/prepayments/withholding of tax due in Georgia? For example: monthly, annually, both, and so on.

The employer is obliged to transfer the tax withheld to the budget upon making the payment to the employee; in case of payment in-kind, the deadline is the last day of the appropriate month.

2.15 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Georgia? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

According to the domestic tax legislation, there is no relief for foreign taxes in Georgia. In specific cases the DDT's respective provisions may be applied.

2.16 General tax credits

What are the general tax credits that may be claimed in Georgia?

Please list below. Not applicable.

2.17 Sample tax calculation

This calculation assumes a married taxpayer resident in Georgia with two children whose 3- year assignment begins 1 January 2021 and ends 31 December 2023. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

| | 2021 | 2022 | 2023 |
|--|------|------|------|
| | USD | USD | USD |

| | | | |
|--|---------|---------|---------|
| Salary | 100,000 | 100,000 | 100,000 |
| Bonus | 20,000 | 20,000 | 20,000 |
| Cost-of-living allowance | 10,000 | 10,000 | 10,000 |
| Housing allowance | 12,000 | 12,000 | 12,000 |
| Company car | 6,000 | 6,000 | 6,000 |
| Moving expense reimbursement | 20,000 | 0 | 20,000 |
| Home leave | 0 | 5,000 | 0 |
| Education allowance | 3,000 | 3,000 | 3,000 |
| Interest income from non-local sources | 6,000 | 6,000 | 6,000 |

Exchange rate used for calculation: USD1.00 = GEL 2.675⁵

2.18 Other assumptions

All earned income is attributable to local sources.

Bonuses are paid at the end of each tax year and accrue evenly throughout the year. Interest income is not remitted to Georgia.

The engine volume of company car is more than 3,500 cm³.

The employee is deemed resident throughout the assignment.

Tax treaties and totalization agreements are ignored for the purpose of this calculation.

Calculation of taxable income

| Year ended | 2021 | 2022 | 2023 |
|-------------------------------------|---------|---------|---------|
| | USD | USD | USD |
| Days in Georgia during year | 366 | 365 | 365 |
| Earned income subject to income tax | | | |
| Salary | 267,500 | 267,500 | 267,500 |
| Bonus | 53,500 | 53,500 | 53,500 |
| Cost-of-living allowance | 26,750 | 26,750 | 26,750 |
| Net housing allowance | 32,100 | 32,100 | 32,100 |

⁵ The National Bank of Georgia (NBG) exchange rate as of January 29, 2024, is as USD1.00 = GEL 2.6750

Company car⁶

| | | | |
|------------------------------|---------|---------|---------|
| Moving expense reimbursement | 53,500 | - | 53,500 |
| Home leave | - | 13,375 | - |
| Education allowance | 8,025 | 8,025 | 8,025 |
| Total earned income | 441,375 | 401,250 | 441,375 |
| Other income/interest | 16,050 | 16,050 | 16,050 |
| Total income | 457,425 | 417,300 | 457,425 |
| Deductions | | | |
| Total taxable income | 457,425 | 417,300 | 457,425 |

Calculation of tax liability

| | 2020 GEL | 2021 GEL | 2022 GEL |
|--------------------------------------|-------------|-------------|-------------|
| Taxable income as above | 457,425 | 417,300 | 457,425 |
| Exempted income (interest) | 16,050 | 16,050 | 16,050 |
| Georgian tax thereon | 88,275 | 80,250 | 88,275 |
| Less/Add: | - | - | - |
| Income tax applicable to Company Car | 3,600 | 3,600 | 3,600 |
| Foreign tax credits | - | - | - |
| Total Georgian tax | 91,875 | 83,850 | 91,875 |

⁶ The benefit received by the employee from the private use of the employer's car is subject to individual income tax on monthly basis based on the engine volume of such car, namely:

| Volume of the car's engine | Individual Income Tax (GEL) |
|--|-----------------------------|
| More than 3500 cubic meters | 300 |
| From 2500 to 3500 cubic meter | 200 |
| Less than 2500 cubic meter | 100 |
| Hybrid cars – any volume of the engine | 60 |

The private use of the employer's electric car is exempt from individual income tax.

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency rules

Are there special residency considerations for short-term assignments?

No.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No.

3.3 Taxable income

What income will be taxed during short-term assignments?

The income received from Georgian sources.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Georgia?

No.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Georgia? If so, what are the rates for employers and employees?

No.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Georgia?

No, but some items are covered by income tax rules.

4.3 Real estate tax

Are there real estate taxes in Georgia?

The real estate (buildings/constructions or their parts) owned by an individual are subject to property tax. The tax base is the market value of the property. The tax rate depends on income level of individual's family for the tax year; the rates are determined by local authorities within the range (0.05 percent to 1 percent) provided by TCG.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Georgia?

Georgia imposes value-added tax (VAT), which is a tax on consumer expenditures. VAT is applicable at 18 percent of taxable supplies/advance payments. Some goods and services may be exempt from VAT (with or without the right to credit input VAT). However, VAT is not applicable to Georgian employment income.

4.5 Unemployment tax

Are there unemployment taxes in Georgia?

No.

4.6 Other taxes

Are there additional taxes in Georgia that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Customs payments on importation of goods

The taxes (VAT and import tax) should be considered while importation of goods on the territory of Georgia, however, an individual in the course of a day (24 hours) may in certain cases import goods without any mentioned payments. Exceptions also include the following.

- An import of goods in accordance with commodity classification of foreign-economic activities group 28-86, 88-97 up to GEL15,000, which is not intended for economic activity by an individual residing abroad for more than a 6-month period.

- An import of goods which is not intended for economic activity by an individual arriving in Georgia for permanent stay.

4.7 Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

No special requirement. However, Georgian Legal entities and individual entrepreneurs are obliged to notify the GTA about opening of foreign bank accounts (except for deposit accounts).

05

Immigration

5 Immigration

Following is an overview of the concept of Georgia's immigration system for skilled labour.

(E.g., which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

The information provided below is of a general nature and should not be relied upon as legal advice

Citizens of foreign countries/jurisdictions who seek to enter Georgia generally are required to obtain respective category of Georgian visa. However, nationals of certain countries/jurisdictions are allowed to enter Georgia without visa if they meet requirements set by Georgian government for visa-free travel.

The visa issuing authorities are the following:

- the Ministry of Foreign Affairs of Georgia
- a diplomatic mission, the Georgian interests division at a diplomatic mission of a third country/jurisdiction and a consular office of Georgia (the 'Mission')
- an authorized body designated under an individual administrative-legal act of the Minister of Internal Affairs of Georgia.

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Georgia as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

Georgia allows citizens of 98 countries/jurisdictions (Attachment N1) to enter, reside, work and study in Georgia for 1 full year without the necessity to obtain either visa or residence permits. Additionally,

another 50 countries/jurisdictions visa and/or residence permit holders are eligible to enter Georgia for 90 days in any 180-day period and subject to respective conditions (Attachment N2).

In addition to the general rule provided above, there are also some exceptions to the Georgian Visa requirements:

- Foreign nationals who are holders of the UNO's or its specialized agencies travel documents (Laissez- Passer), can enter or stay in Georgia without a visa for full 1 year
- Holders of diplomatic or official/service passports of China, Egypt, Guyana, India, Sri Lanka, Indonesia, Nepal and Peru may enter and stay in Georgia without visa
- Compatriots residing abroad, who are citizens of the country/jurisdiction whose citizens need a visa for entering Georgia, are authorized to cross the state border of Georgia without a visa and stay in Georgia for no more than 30 days
- Aliens holding a Georgian residence permit or a temporary residence permit of a refugee or a person with humanitarian status can enter Georgia for the entire period of the above-mentioned documents validity.
- Members of a crew of an international airline, railway, or marine transport and passengers that need an interim change of carrier or means of transport and have a document evidencing the right to enter their country/jurisdiction of destination do not require a visa for transit movement in Georgia. Period of stay

in Georgia should not exceed 10 days. Passengers are not allowed to leave an area designated specifically for transit at an airport, a railway station or a seaport.

Describe (a) the regulatory framework for business travellers being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Nationals of the foreign country/jurisdiction that are not exempted from the Georgian visa under the Georgian Legislation and seek to enter Georgia for the purposes of Business Travel or Short-Term Assignments shall obtain C (Ordinary Visa) category of visa. Georgian law establishes short-term and long-term categories of visa with right of a single or multiple entries. The total period of an alien's entry and stay in Georgia in any 180-day period shall not exceed 90 calendar days.

A short-term visa is issued with the right of a single or multiple entries into Georgia, while long-term visa can only be issued with the right of multiple entries. Aliens are entitled to indicate in a visa application number of days when applying for short-term single-entry visa but for not more than 30 calendar days. A short-term multiple-entry visa can be issued for a maximum of 5 years.

A short-term multiple-entry visa can be issued to aliens, who, under the procedures established by the legislation of Georgia, have visited Georgia at least once during the previous year, and there are grounds for requesting a short-term multiple-entry visa. The condition to visit Georgia during the

previous year is not required for the issuance of diplomatic and special visas, and of a short-term multiple-entry electronic visa on the basis of a visa application submitted through the e-VISA PORTAL.

For the Business purposes foreign nationals while obtaining C category of visa are entitled to the following activities:

- to hold business meeting and negotiations
- participation in scientific workshops, conferences and other research pedagogical, cultural or sport events
- to perform journalistic activity
- crew members of the ships standing in Georgian harbors unless visa-free movement of the crew members is provided by an international treaty; to the drivers and co-drivers performing international cargo / civil transportation.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

For the purposes obtaining Georgian visa foreign nationals are provided with an alternative to submit documentation through the E-application System or via e-Visa Portal (for more information please visit the link: <https://www.geoconsul.gov.ge/HtmlPage/Html/View?id=956&lang=Eng>). E-Visa Portal is an effective way to obtain short term visa without visiting Georgian Embassy or Consular Office.

Individuals who seek to enter Georgia for a short period are eligible to submit application through the portal and obtain C category of visa.

E-application System is designed to obtain any category of visa. The system is designed to book time for submission of visa application at the consular office. Apart from the electronic application the hard copies of the respective visa documentation shall be submitted to the visa issuing authorities or to another body authorized to accept such documentation.

Based on the documents submitted by foreign national and the material obtained by a visa issuing authority, the visa issuing authority shall make the decision to issue or refuse to issue a visa:

- Short-term visa – 10 calendar days
- Short-term visa (if visa application is submitted through the e-VISA PORTAL) – 5 working days.
- Long-term visa – 30 calendar days.

General documents for obtaining Georgian visa are as follows:

- Visa Application
- Travel Document
- Travel and health insurance
- A document evidencing payment of a consular fee or when a visa is issued at the state border of Georgia – a document evidencing payment of the state duty.

KPMG in Georgia Comment: Please note that the list is not exhaustive and shall be examined case by case;

A document necessary to issue a visa shall be submitted to the Ministry/Mission in the state language of Georgia or in English language. A document drawn up in another foreign language shall be submitted together with the duly certified Georgian or English translation. Mission is entitled to define certain language for the submission of documents other than Georgian or English which will be applicable without prior translation. For the purposes of issuing a short-term Georgian visa, original documents and their copies (except for the invitation) are submitted to a visa issuing authority without legalization or apostille.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

No, Georgian legislation does not specifically regulates issues related to the technical support staff, however, Special Visa (B2 category) is issued to administrative, technical and service personnel of diplomatic missions of foreign states, consular employees and service staff of consular offices, as well as to their family members and household servants; to employees of representative offices of international and humanitarian organizations located in Georgia and their family members who reside with them.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Georgia? In this context please outline whether a local employment contract is required for the specific permit type.

Work residence permit is issued to foreign nationals for carrying out entrepreneurial or labor activities in Georgia, also to freelance professionals. Generally, the permit seeker is required to obtain Georgian immigration (D1 category) visa which is the prerequisite for obtaining work residence permit. Work residence permits shall be issued to a foreigner for the period anticipated stay in Georgia, but for not more than 6 years.

If a foreign national start working in Georgia on the employment contract basis, the local employers are obliged to register labor migrant in the unified database of the Ministry of Internally Displaced Persons from the Occupied Territories Labor Health and Social Affairs of Georgia within the 30 calendar days from the event of concluding contract.

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

For obtaining a Georgian work residence permit, foreigner shall apply to the LEPL Public Service Development Agency (operating under the management of Ministry of Justice of Georgia). In order to receive work residence permit a person shall submit the documents to the respective state authority, inter alia:

- Application form
- Copy of travel document (for example, passport)
- Copy of the documents that proves the legal basis for staying in Georgia
- Document proving working or entrepreneurial activities (employment agreement or another related document)
- Document proving monthly income/remuneration received from business or labor activities in Georgia that is not less than fivefold the amount of the minimum subsistence level for average consumers in Georgia
- Document issued by the LEPL Revenue Service demonstrating that annual turnover of the employing enterprise/founding enterprise (except for educational or medical institutions) is not less than GEL 50 000 for each alien requesting a work residence permit. In case of educational or medical institutions the turnover shall amount to GEL 35 000 for each alien
- Photo 3/4
- The receipt of the payment of service fee.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

Minimum monthly salary should not be less than the five-fold amount of the average consumer's subsistence minimum defined in Georgia.

Is there a fast-track process which could expedite the visa/ work permit?

Yes, there is fast-track option Georgia for obtaining work residence permit. The service fee for receiving of the work residence permit are as follow:

- in 30 calendar days is GEL300
- in 20 calendar days is GEL450
- in 10 calendar days is GEL600

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee is permitted to start working, once they have obtained a valid Visa for Georgia.

Can a short-term permit/ business visa be transferred to a long-term permit in Georgia?

A foreigner national legally staying in Georgia and having any of the permits, has the right to obtain the other type of permit/business visa in case they meet the requirements set for the obtaining respective visa category.

Is it possible to renew work and residence permits?

Work residence permit is issued with the right of temporary residence, for not more than 6 years. It is issued for the term ranging from 6 months to 1 year first, and after the expiration of the mentioned period may be extended thereafter for the term of up to 5 years.

Is there a quota or system or a labor market test in place?

Georgia does not have a quota system or a labor market test.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Georgia?

D4 category visa is issued to persons who come to Georgia for family reunification;

Is it possible to obtain a permanent residence permit?

Yes, Permanent Residence Permit – is issued to a spouse, child, parent of Georgian citizen. Also, Permanent Residence Permit shall be issued to a foreigner, residing in Georgia based upon a temporary residence permit for the past 6 years. This term does not include the period of residing in Georgia for the purpose of study or medical treatment and of working at the diplomatic or equal representations.

What if circumstances change after the Work and Residence application process?

Depending on the circumstances, change in the term of the employment or personal situation may require an appropriate notification to the respective authority.

How long can a permit holder leave Georgia without their permit becoming invalid?

Work residence permit does not become invalid by leaving territory of Georgia during the period of the relevant work permit.

Must immigration permissions be cancelled by the end of the assignment/employment?

Yes, the end of the assignment/employment results in the cancellation of work permit.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

If a foreign national violates the period of stay in the country/jurisdiction, they are obliged to pay a penalty. The penalty is determined in the amount of GEL180 – up to 3 months of overstay and in the amount of GEL360 – over 3 months of stay beyond the date of expiry of the period of lawful stay in Georgia.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Georgia when it comes to the immigration processes.

Not Applicable.

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