



## Amendments to the law

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### Organizing gambling games and/or games of chance in a systemic-electronic form

Georgian Law published on 24 February 2023 stipulates amendment to the Georgian Law about „Organizing lotteries, gambling games and games of chance“. According to the amendment, from 1 June 2024 the relevant independent permits were established for organizing the gambling games and/or games of chance in a systemic-electronic (online) form, in particular:

- The permit of the organization of games of casinos in a systemic-electronic form
- The permit of the organization of games of slot machines salon in a systemic-electronic form
- The permit of the organization of betting houses in a systemic-electronic form.

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As you know, organizing online games did not require a separate permit, and the organizers with the permission of casino, slot machine salon and bookmaker (betting house) had the right to conduct them.

Along with the mentioned law, amendments were made to various laws of Georgia, one of which is the Tax Code of Georgia. The changes in GTC affected those parts that define the taxation approaches for the persons organizing gambling games and/or games of chance in a systemic-electronic form. According to the amendment, from 1 June 2024, all existing taxation rules will apply without change to the persons organising gambling games and/or games of chance in a systemic-electronic form, instead of arranging persons. This is due to the fact that the organizing of online games is now a separate permitted activity that has replaced the activities of the persons arranging these games.

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The amendment came into force from 1 June 2024.

## Amendment to the order



### Write-off of inventory

On 27 February 2023 the order №55 (24.02.2023) of Minister of Finance of Georgia was published, that made the amendment to the order №994 (31.12.2010) on the “Approval of the Procedure for Conducting Current Control Procedures, Write-off of inventory, Repayment of Recognized Tax Debts, Measures for Ensuring Tax Debts, Tax offence cases”.

According to the amendment, paragraph 7 was added to the Article 33 of the mentioned order, that provides information about the application to be submitted for writing off inventories. The new paragraph determines an obligation to the taxpayer to separate obsolete inventory items and/or items that are unfit for use or further supply from suitable items before submitting the application „On certification of document on writing-off of inventory items“. In case of non-compliance with this rule, the inventory write-off document cannot be confirmed.

The amendment came into force from 28 February 2023.



### Adjustment of VAT amount on suppling of immovable property

On 6 February 2023 the minister of finance of Georgia issued order №34 stipulating the amendment to the order №996 “About administration of taxes” issued on 31 December 2010 by the minister of finance of Georgia.

The amendment affected the article 73<sup>3</sup> of the mentioned order, that determines the rules of adjusting the amount of VAT. According to the amendment, the new sub-paragraph “d” was added to the paragraph 4 of the mentioned article, that determines the cases of adjustment of the taxable transactions amount. According to the amendment, a different rule of declaring the adjusted operations was defined for those persons who, based on the supply of immovable property, have been compulsorily registered as VAT payers by the tax authority as a result of tax audit.

## AUTHOR’S COLUMN

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

This issue provides information on amendments to law on gambling and related matters and the order concerning control procedures and write-off of inventory, etc.

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

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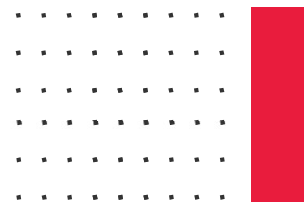
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In particular, if there was an adjustment circumstance for the above-mentioned persons, that led to a reduction of the taxable amount, the taxpayer must submit to the tax authority a declaration established in a new form, under the following name: "Declaration on the adjustment of VAT taxable amount of the supply of immovable property, on which VAT has been charged as a result of the tax audit". The tax authority makes a decision on adjustment of VAT taxable amount requested with the mentioned declaration, within two months from the date of registration of this declaration. The VAT taxable amount will be adjusted in case of a relevant decision by the tax authority. the motivated decision on refusal to adjust the VAT amount is being sent to the taxpayer no later than 5 working days after the decision is made.



If a circumstance causing the adjustment occurs during the tax audit, in the accounting period covered by the audit, the VAT taxable amount will be adjusted by the tax authority and the taxpayer will not be obliged to submit the mentioned declaration.

The amendment came into force from 7 February 2023.



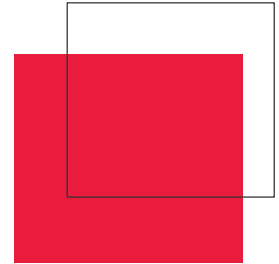
## The changes about participation in the scheme of pension agency

On 21 February 2023 were published the orders №001 and №003 of the Director of the Legal Entity under Public Law (LEPL) of Pension Agency. These are the orders on "Leaving from the accumulative pension scheme, returning and re-joining the Pension Contributions and Investment and/or Other Income Related to these Contributions" and "Approving the instruction on the appointment and issuance of pension and pension assets". The mentioned orders have been formulated with updated edition and the previous versions of the same orders have been declared invalid. Here are some of the changes made in the revised edition:

- According to the amendment, the employee is entitled to apply to the pension agency or the authorized administrative body personally or through a representative person in accordance with this rule and require certificate of the status of participation in the pension scheme certificate of the right/status to withdraw from the pension scheme
- After leaving the pension scheme, in case of re-joining, the employee will not be able to leave the pension scheme again
- If the pension agency reveals that it has paid less pension or pension assets for the pension recipient and/or the heir of the deceased participant, the agency ensures the addition of the appropriate amount of money to the relevant pension/pension asset, no less than 30 working days after the discovery of such discrepancy
- Also, new articles 28 and 29 has been added to the Order №003, those refer to the communication with the clients and the processing of their personal data by the pension agency.

The orders came into force from 1 March 2023.

## Amendment to the Decree



### Changes in fees for services provided by the Revenue Service

On 31 January 2023 the decree №43 (30.01.2023) of the Government of Georgia was published stipulating the amendment to the decree №96 (30.03.2010) of the Government of Georgia “On the approval of fees and their rates for the provision of the services by a legal entity under public law - Revenue Service”.

The amendment determined fees for services provided by the Revenue Service, which prior to the amendment were available with a free application. Also, the fees for some services were increased and determined cases of exemption from fees for those who is making application electronically. The main reason of these changes is to encourage the submission of applications to the Revenue Service in electronic form and the use of remote services, based on the fact that the use of services in electronic form allows a person with an authorized user page to use the desired service more easily and flexibly.

The amendment came into force from 20 February 2023.

