

Tax and Legal Alert

**Overview of changes in Georgian legislation
June, 2020**



Legal news:

1. On June 25, 2020, the Government of Georgia issued a resolution approving the state program "Mortgage Support Mechanism".

Under the program, a natural person who has reached the age of 18 will benefit from a subsidy component if he or she buys an apartment from a developer and concludes a mortgage loan agreement with a commercial bank. It should be also noted that the apartment shall become the object of a purchase agreement for the first time and its first purchaser must be a beneficiary of the program.

The total maximum loan amount(s) to be adopted by one beneficiary under the program is GEL 200,000. At the same time, the total maximum loan amount(s) issued for the purchase of the same apartment should not exceed GEL 200,000.

2. On June 25, 2020, the Government of Georgia adopted Resolution № 386 on the approval of the state program "Support to the Construction Sector". The aim of the program is to minimize the negative impact on the construction sector of the delayed economic activity during the new Coronavirus (COVID-19) pandemic and to promote the stability of the real estate market by concluding an agreement with the state on the option of selling residential premises with builders.

A tender will be held to select the builders and the state will redeem the residential buildings in the multi-apartment houses built at the price offered by them. The essential condition is that the living space should not be more than 30% of the total living space of a multi-apartment house.

In order to determine the upper limit of the offered price, the individual coefficient shall be determined by the decree of the Government of Georgia for Kutaisi, Batumi, Rustavi and Zugdidi municipalities, and for the rest of the municipality there should be determined general coefficients.

In order to identify the winner of the competition, the lowest offered price shall be considered as an essential condition for making a decision.

3. Amendments were made to the Law of the Government of Georgia of 23 May 2020 on the Approval of the Rules of Isolation and Quarantine.

From July 7, 2020, the activities of the subjects carrying out the sports-recreation procedure became permissible. However, before carrying out any activity, it is necessary to conduct an inspection by the Department of Labor Inspection of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia or relevant agencies and issue a positive conclusion.

Sources:

1. <https://matsne.gov.ge/ka/document/view/4904745?publication=0>

2. <https://matsne.gov.ge/ka/document/view/4904717?publication=0>

3. <https://matsne.gov.ge/ka/document/view/4917425?publication=0>

Tax News

No significant amendments have been made in Georgian Tax Legislation in June.

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

In case you need additional information, our tax and legal experts will be happy to comment and clarify all possible matters on the amendments.

Contacts:

Vakhtang Tsabadze

Managing Partner

M +995 599 989 203

E vakhtang.tsabadze@ge.gt.com

Ketevan Ghambashidze

Director, Tax and Legal

M +995 593 939 430

E ketevan.ghambashidze@ge.gt.com

Nino Jolia

Head of Legal Advisory

M +995 599 969 069

E nino.jolia@ge.gt.com



54 Ketevan Tsamebuli Ave,

0144 Tbilisi, Georgia

64 Vakhtang Gorgasali Street

6010, Batumi, Georgia



T +995 (0) 322 604406



info@ge.gt.ge



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