

EY LAW UPDATES

COVID - 19

Twelfth edition

Covid-19 tax relief measures

- ▶ On 6 January 2021, the Legislative Herald of Georgia published a Law of Georgia on Amendment to the Tax Code of Georgia. The Law, among other measures, extends the tax benefits introduced in May 2020 due to the Covid-19 pandemic.
- ▶ According to the amendments, for six calendar months starting from 1 December 2020, the employer is entitled to reduce the withheld and payable income tax from the salary paid to the employee up to 750 GEL, if the salary received by this employee from the same employer during 1 calendar month does not exceed 1,500 GEL.
- ▶ The time for charging VAT for the lease/rent service provided for six months from 1 December 2020 was determined to be the actual time the service fee / portion of service fee is paid.
- ▶ Taxpayers are exempt from property tax payable for 2021 according to the Tax Code for the property that was used for accommodation/recreation (activity under codes 55.1 and 55.2 of NACE 006-2016), restaurant (activity under code 56.1 of NACE 006-2016) and tourism (activity under code 79 of NACE 006-2016) businesses.
- ▶ For Taxpayers who provide accommodation/recreation services (codes 55.1 and 55.2 of NACE 006-2016) in the town of Bakuriani of Borjomi Municipality, the village of Gudauri in Kazbegi Municipality, the Goderdzi resort in Khulo Municipality, the town of Mestia in Mestia Municipality, the time period for paying the personal income tax payable in November and December 2020 was extended to 1 July 2021 without additional penalty charges.
- ▶ Taxpayers whose personal income tax and/or property tax payable in 2020 (including February, March, April and May 2020) have been extended to 1 January 2021 without additional penalty charges, are allowed to reduce (not to pay to the Budget) the deferred personal income tax, if they are engaged in accommodation/recreation (activity under codes 55.1 and 55.2 of NACE 006-2016), restaurant (activity under code 56.1 of NACE 006-2016) and/or tourism (activity under code 79 of NACE 006-2016) activities and have provided relevant information to the tax authorities.
- ▶ The amendment became effective upon its publication.

The source and the date of publication: the Legislative Herald of Georgia, 06/01/2021.

Updates on crossing the Georgian border

- ▶ On 30 January 2021, the Ordinance No. 40 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ According to the Ordinance, air traffic has resumed, and Georgian border can be crossed by air following the entry rules set by the law.
- ▶ Travelers from foreign countries, regardless of their nationality, are not be subject to the restrictions imposed by the Ordinance if they present a document confirming the full course (two doses) of any COVID-19 vaccination at the border checkpoints of Georgia.
- ▶ Georgian nationals submitting the negative result of the PCR test conducted within 72 hours prior to the visit, will be subject to either 8-day self-isolation or to optional PCR examination at their own expense on the 3rd day of their stay in Georgia. If self-isolation is not possible, they will be subject to a mandatory quarantine. If a Georgian national fails to submit the document confirming the PCR examination at the border, they will be placed in self-isolation for 8 days, and if self-isolation is not possible, they will be subject to a mandatory quarantine.
- ▶ The list of the countries whose citizens and residence permit holders may enter Georgia without additional permit (if travelling from these countries), provided that they observe the entry rules set by the law, has expanded. The regulation applies to transit travel through third countries with whom Georgia has reopened its air borders.
- ▶ All individuals who have travelled to the United Kingdom of Great Britain and Northern Ireland within the last 14 days will be placed in a mandatory quarantine for 12 days.
- ▶ The Ordinance is effective from 1 February 2021.

The source and the date of publication: the Legislative Herald of Georgia, 30/01/2021.

The National Plan of Vaccination

- ▶ On 22 January 2021, the Decree No. 67 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ The Decree approves the National Plan of COVID-19 Vaccination in Georgia.
- ▶ Among other issues, the plan includes the vaccination target groups and prioritization, technicalities of the immunization process, vaccine safety monitoring and other issues.
- ▶ On 3 February 2021, the Order No. 01-11/n of the Minister for Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia was published on the Legislative Herald of Georgia.
- ▶ The Order approves:
 - COVID-19 vaccine rollout and immunization management rule.
 - Plan of COVID-19 mRNA vaccine, Pfizer-BioNtech rollout and vaccine administration rule.
 - Plan of COVID-19 AstraZeneca rollout and vaccine administration rule.
 - COVID-19 vaccination card.
 - Management of post COVID-19 vaccination anaphylaxis and conditions misdiagnosed as anaphylaxis following the vaccination.
 - Rule of filling out registration and reporting forms, frequency and timing of submission.
 - Infection prevention and control (IPC) principles and procedures during COVID-19 vaccination.
- ▶ The Ordinance became effective upon publication.

The source and the date of publication: the Legislative Herald of Georgia, 22/01/2021.

Municipal transport, education, food service operators and trade outlets

- ▶ On 4 February 2021, the Ordinance No. 49 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.

Municipal transport:

- ▶ According to the Ordinance, on weekends municipal transportation in the administrative boundaries of municipalities, including Tbilisi municipality, is suspended. The Underground is closed on weekends as well.
- ▶ This regulation regarding municipal transport is effective from 8 February 2021.

Education:

- ▶ From 15 February 2021 onward, vocational, special vocational and higher education facilities, except for general education schools, will continue educational activities only using various remote learning or communication tools in the following cities and towns:
 - Tbilisi.
 - Batumi.
 - Kutaisi.
 - Rustavi.
 - Gori.
 - Zugdidi.
 - Poti.
 - Telavi.
- ▶ Practical, laboratory, clinical works and exams are allowed if they are part of the medical education programs carried out in Tbilisi, Batumi, Kutaisi, Rustavi, Gori, Zugdidi, Poti and Telavi non-remotely (on premises), provided that the recommendations are followed strictly.

Trade outlets:

- ▶ Retailing or wholesaling of any goods/products shall be carried out remotely, without providing access to customers to the sales floor, in the following cities: the town of Bakuriani of Borjomi Municipality, the village of Gudauri in Kazbegi Municipality, the Goderdzi resort in Khulo Municipality, the town of Mestia in Mestia Municipality, and, on weekends, in the rest of the country. This restriction does not apply to:
 - Sale of food/pet food, animal fodder, animal and plant products, household chemicals and personal hygiene products, veterinary medications, pesticides and agrochemicals, seeds, seedlings and planting materials.
 - Supply of electronic communication, electricity, natural gas, water, gasoline, diesel, liquified gas.
 - Sale of medical goods, pharmaceutical products.
 - Newspaper booths.
- ▶ Open and closed markets/fairs throughout the country are allowed to operate only remotely on weekends. This restriction does not apply to agricultural markets/fairs. On the other days of the week, open and closed markets/fairs operate in full compliance to epidemiological guidelines.
- ▶ This regulation regarding trade facilities is effective from 8 February 2021.

Food facilities:

- ▶ From 15 February 2021 onward, outdoor restaurants, bars, cafes and other food facilities are allowed to operate with the exception of the town of Bakuriani of Borjomi Municipality, the village of Gudauri in Kazbegi Municipality, the Goderdzi resort in Khulo Municipality and the town of Mestia in Mestia

Municipality and the weekends. Also, gathering of more than 10 people for social events, such as weddings, anniversaries, funeral repasts, is prohibited.

- ▶ Apart from the above, from 15 February 2021 onward, restaurants, bars, cafes and other food facilities are allowed to offer only takeaway, delivery, and drive-in services on weekends, whereas restaurants, bars, cafes and other food facilities located inside shopping malls are also allowed to function on weekends only through delivery.
- ▶ Some paragraphs of the Ordinance No. 49 are effective from 8 February 2021, and the remaining paragraphs - from 15 February 2021.

Mandatory testing:

- ▶ On 29 January 2021, the Order No.128 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ According to the Order, the list of priority groups subject to COVID-19 mandatory antigen test with either rapid or PCR test has expanded to include the specific entities engaged in the activities permitted with Ordinance No.322 of 23 May 2020 of the Government of Georgia.
- ▶ Pursuant to the Order, the people employed in general education facilities have been added to the list of the individuals subject to mandatory testing.
- ▶ Order No. 128 is effective upon signing. Some of the requirements regarding testing of certain individuals listed in the Order apply to the relationships originating from 21 January 2021.

Sanctions for violation of requirements for carrying out economic activities

- ▶ On 5 February 2021, the Ordinance No. 55 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ According to the Ordinance, if private individuals, entrepreneurial entities and/or entrepreneurial entities founded by them, violate requirements for economic activities, they will be excluded from the respective government subsidy programs.

The source and the date of publication: the Legislative Herald of Georgia, 04/02/2021, 05/02/2021.

Partial subsidy of electricity costs for entrepreneurial entities.

- ▶ On 12 January 2021, the Ordinance No. 5 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ The Ordinance sets out terms and conditions for partial subsidy of electricity costs for entrepreneurial entities that are engaged in the activities listed in the annex to the Ordinance. Such entrepreneurial entities include, among others, manufacturing sugar, meat products, etc.
- ▶ The Ordinance No. 5 is effective upon publication.

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