



Georgia

Deloitte Legal

20 October 2021

Georgian Legal News

Refer to the Law

Double Tax Treaty between Georgia and Poland

On 7 July 2021, Georgia and the Republic of Poland signed the Agreement for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance (“the Agreement”); it was submitted to the Parliament of Georgia for ratification on 4 October 2021.

Once in force, the Agreement will apply

- in Georgia – to profit tax and income tax;
- in Poland – to the corporate income tax and personal income tax.

The Agreement will substitute the agreement between the Government of the Republic of Poland and the Government of Georgia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital executed in Warsaw on 5 November 1999.

Bill on Ownership of Dematerialised Securities

On 16 September 2021, the Bill on Ownership of Dematerialised Securities was introduced to the Parliament of Georgia. Its main objectives are to regulate ownership and transfer of dematerialised securities. The bill defines the term 'dematerialised securities', making it the third securities type existing in Georgia.

Certificated securities are bearer securities and negotiable securities. Ownership of bearer securities is confirmed by the fact of their possession, while negotiable securities have the owner's name on them.

Registered securities are registered in the securities registry and the right of ownership is confirmed by the information kept in the registry or by a certificate.

Dematerialised securities exist as a book entry only and the right of ownership over such securities is confirmed by a statement of account. Dematerialised securities rely on modern technology and there is no need to own or register them in physical form. This enables numerous transactions in them on a daily basis, which facilitates development of capital markets and economic growth.

Although the Law on Securities Market regulates non-material securities, it does not, however, regulate dematerialised securities. Non-material securities is defined as a security that is not available in paper form, but exists in the form of a record in the securities register or in the records of nominee holders in the name of the registered owner or the nominee holder i.e. non-material securities are registered securities.

Contacts

If you have any questions regarding the information provided in this newsletter, please contact one of the Tax & Legal professionals at our Deloitte office in Georgia:



Giorgi Tavartkiladze

Director of Tax & Legal Department

gtavartkiladze@deloitte.ge



Giorgi Khurodze

MLB (Bucerius/WHU)

Head of Legal, Attorney at Law

gkhurodze@deloitte.ge

Tbilisi

King David Business Center

12 Merab Aleksidze Street, 15th floor
Tbilisi, 0171,
Georgia

Tel: +995 (32) 224 45 66

Fax: +995 (32) 224 45 69

deloitte.ge



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 330,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the “Deloitte network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.