

LAW OF GEORGIA
ON THE REVENUE SERVICE

Chapter I - General Provisions

Article 1 - Purpose of the Law

This Law defines the legal status of the Revenue Service ('the Service'), a legal entity under public law, and the legal basis for its activities.

Article 2 - Legal Status of the Service

1. The Service is a legal entity under public law (LEPL) established on the basis of this Law and subordinate to the Ministry of Finance of Georgia.
2. The Service has its own symbols, a seal with the state coat of arms of Georgia and the name of the Service; the Service maintains a standalone balance sheet, and has an account with the State Treasury.

The Service may, at the same time, have an account with a commercial bank in cases provided for by the legislation of Georgia.

3. The structure of the Service and the authorities of its structural units are determined by the Statute of the Service, which is approved by the Minister of Finance of Georgia.
4. The restructuring or liquidation of the Service shall be carried out as prescribed the legislation of Georgia.

Law of Georgia No 2944 of 12 December 2014 - website, 24.12.2014

Article 3 - Legal bases for the activities of the Service

The legal bases for the activities of the Service are: the Constitution of Georgia, treaties and international agreements of Georgia, tax legislation of Georgia, the Law of Georgia on Legal Entities under Public Law, this Law, the Statute of the Service, and other legal acts.

Chapter II - Main Provisions

Article 4 - Functions of the Service

1. The functions of the Service are:
 - a) to provide taxpayers with information about their rights and obligations;
 - b) to administer taxes and other fees within its authority;
 - c) to participate in the process of drafting legal acts on taxation issues, including drafting international treaties and agreements;
 - d) to monitor the observance and enforcement of the legislation of Georgia within its authority;
 - e) to prevent and detect offences within its authority;
 - f) to perform other functions as provided in the legislation of Georgia.
2. When exercising its authority, the Service shall, based on the treaties and international agreements of Georgia, cooperate with relevant agencies of foreign countries and international organisations as prescribed by the legislation of Georgia.

Article 5 - Special powers of the Service employees

1. When performing official duties, the relevant employees of the Service, within the scope of their authority, may act under Articles 30, 31 (except for the right to use firearms) and Article 32, 33 (except for Article 33(3)(c),(d), (f) and (g)" and Article 33(6)) of the Law of Georgia on Police.
2. The rules for storing, carrying and using special equipment by the officers of the Service, within the scope of the authority provided by this Law, shall be determined by the Minister of Finance of Georgia.

Law of Georgia No 1277 of 20 September 2013 - website, 1.10.2013



Article 6 - Management and representation of the Service

1. The Service is headed by the Head of the Service, who is appointed or removed by the Prime Minister of Georgia upon recommendation of the Minister of Finance of Georgia.

2. The Head of the Service:

- a) makes decisions on issues falling within the authority of the Service;
- b) acts on behalf of the Service in relationships with third parties;
- c) may delegate some of his/her powers to other employees of the Service with respect to deciding certain issues falling within his/her authority;
- d) may grant representation powers to other employees of the Service;
- e) approves the staff list of the Service by a legal act, and approves the salaries in agreement with the Minister of Finance of Georgia.
- f) appoints and removes employees of the Service within his/her authorities;
- g) makes decisions on granting incentives to, or imposing disciplinary measures against, the employees of the Service;
- h) administers funds and assets of the Service as laid down in the legislation of Georgia;
- e) in order to regulate various legal relationships, approves the Internal Regulations of the Service by issuing a legal act, and where necessary, approves qualification requirements for the employees of the Service;
- j) issues individual administrative acts within his/her authority;
- g) exercises other powers in accordance with the legislation of Georgia.

3. The Head of the Service has deputies. One of the deputies may be the First Deputy Head [of the Service].

The First Deputy Head and other deputy heads are appointed or removed by the Minister of Finance of Georgia upon recommendation of the Head of the Service.

4. Powers of the First Deputy Head and deputy heads are determined by the decision of the Head of the Service;

5. The procedure for the recruitment and certification of employees of the Service (including through competition) shall be approved by the Minister of Finance of Georgia.

Law of Georgia No 5295 of 24 November 2011 - website, 5.12.2011

Law of Georgia No 346 of 20 March 2013 - website, 2.4.2013

Article 7 - Assets of the Service

1. The Service has its own assets in order to carry out its functions. The assets are formed from:

- a) assets transferred in the form of a gratuitous usufruct and lending by the Ministry of Economy and Sustainable Development of Georgia upon recommendation of the Ministry of Finance;
- b) other assets received in accordance with the legislation of Georgia.

2. The assets of the company consist of fixed and current assets and of other tangible assets and financial resources entered in the balance sheet of the Service.

Law of Georgia No 4469 of 22 March 2011 - website, 1.4.2011

Article 8 - Funding of the Service

1. The funding sources of the Service are:

- a) funds allocated from the State Budget of Georgia;
- b) fees for the services rendered by the Service;
- c) other revenues permitted by the legislation of Georgia.

2. The fees and the rates of the fees for services rendered by the Service, and the procedure for paying the fees, shall be prescribed by ordinance of the



3. The financial resources and revenues under paragraph 1 of this article shall be used to attain the goals and perform the functions of the Service, and to promote the development of the system of the Ministry of Finance.

Law of Georgia No 5295 of 24 November 2011 - website, 5.12.2011

Article 9 - Incentives for the employees of the Service

The Head of the Service is entitled to grant the following incentives to employees of the Service for outstanding performance of their duties, for long and faithful service or for the performance of especially difficult or important task:

- a) commendations;
- b) bonuses or valuable gifts;
- c) additional leave for 10 days;
- d) early dismissal of disciplinary measures;
- e) nomination for the state awards of Georgia.

Article 10 - Disciplinary liability of the Service employees

The Head of the Service may impose the following disciplinary sanctions on employees of the Service for violations of official discipline and for improper performance of assigned duties:

- a) admonition;
- b) warning;
- c) deduction of not more than 10 days' salary;
- d) dismissal.

Article 11 - Social security of the Service employees

1. The spouse, children and dependent parents of an employee of the Service who has died while performing the official duties shall be paid proportionally GEL 15 000 as a one-time allowance.

Where only the parents are eligible for the one-time allowance, they shall be granted the allowance in any event.

2. Employees of the Service who have been maimed while performing their official duties, or who have been granted the status of a person with disabilities, shall be paid a one-time allowance of not more than GEL 7 000 according to the gravity of the injury.

3. The measures under this article shall be applied in accordance with the procedure established by an order of the Minister of Finance.

Article 12 - Liability of the Service employees

The damage caused by the guilty conduct of an employee of the Service shall be compensated as prescribed by the legislation of Georgia.

Article 13 - State control of the Service

1. The Ministry of Finance of Georgia shall exercise state control of the Service.

2. For the purpose of the state control, the Service shall provide all the necessary information and materials to the Minister of Finance upon request.

Article 14 - Conflict of interest of the Service employees

Employees of the Service may not:

- a) perform professional duties with respect to a person who is deemed to be their relative under the Tax Code of Georgia, or with respect to a person with regard to whom the employee or his/her relative has a direct or indirect financial interest;
- b) disclose information containing personal, commercial, professional or state secrets, or any other information protected by law, except as otherwise



prescribed by law;

c) perform tax control over person to whom the employee renders services on a contractual basis, except as otherwise prescribed by law.

Chapter III - Transitional and Final Provisions

Article 15 - Transitional Provisions

1. Not later than 1 April 2010, the Revenue Service of the Ministry of Finance of Georgia - the state subordinated agency of the Ministry of Finance of Georgia, shall be reorganised and established as the Revenue Service - a legal entity under public law (LEPL) subordinate to the Ministry of Finance of Georgia.

2. The LEPL Revenue Service shall be a legal successor to the Revenue Service of the Ministry of Finance of Georgia, the state subordinate agency of the Ministry of Finance of Georgia.

3. Until the reorganisation is completed, the Revenue Service of the Ministry of Finance - the state subordinate agency of the Ministry of Finance, shall carry on its operation in accordance with the authority granted to it prior enactment of this Law.

4. Not later than of 1 April 2010, the Government of Georgia shall approve the fees and rates for services rendered by the LEPL Revenue Service.

5. Not later than of 1 April 2010, the Prime Minister of Georgia shall appoint the Head of the LEPL Revenue Service.

6. Not later than 1 April 2010, the Minister of Finance of Georgia shall:

a) approve the Statute of the LEPL Revenue Service and other subordinate normative acts related to the activities of the Revenue Service;

b) transfer the budget allocations of the Revenue Service of the Ministry of Finance of Georgia - the state subordinate agency of the Ministry of Finance of Georgia, to the LEPL Revenue Service as prescribed by the legislation of Georgia.

7. Until 1 January 2011, the Ministry of Finance of Georgia may provide funds and material resources to the LEPL Revenue Service for its uninterrupted operation.

8. Not later than 1 April 2010, the Ministry of Economic Development of Georgia shall transfer all the necessary assets (including the assets recorded on the balance sheet of the Revenue Service of the Ministry of Finance of Georgia - the state subordinate agency of the Ministry of Finance of Georgia) to the LEPL Revenue Service) as prescribed by the legislation of Georgia, in order to ensure the operation of the LEPL Revenue Service.

9. The secondary legislation on taxation and customs procedures, as well as other normative acts regulating the issues related to the labour relations of the employees and organisation of the Revenue Service of the Ministry of Finance of Georgia - the state subordinate agency of the Ministry of Finance of Georgia, shall remain in force until they are repealed, irrespective of whether or not they comply with the provisions of this Law.

10. Upon the completion of the reorganisation, all the employees of the Revenue Service of the Ministry of Finance of Georgia - the state subordinate agency of the Ministry of Finance of Georgia, who were employed there before the reorganisation shall be appointed to the respective positions at the LEPL Revenue Service.

11. The terms 'the Revenue Service of the Ministry of Finance of Georgia' and 'the Revenue Service' used in the legislation of Georgia means the Revenue Service - the legal entity under public law subordinate to the Ministry of Finance of Georgia.

Law of Georgia No 2866 of 26 March 2010 - LHGI, No 14, 30.3.10, Art. 89

Article 16 - Final provisions

1. This Law, except for articles 1-14 and paragraphs 2, 3, and 9-11 of article 15, shall enter into force upon promulgation.

2. Articles 1-14 and paragraphs 2, 3, and 9-11 of article 15 shall enter into force from 1 April 2010.

3. Upon entry into force of this Law, the Law of Georgia on the Revenue Service of the Ministry of Finance of Georgia of 29 June 2006 (Legislative Herald of Georgia, No 51, 31.12.2006, Art. 415) shall be repealed.

President of Georgia

M. Saakashvili

Tbilisi,

23 February 2010

No 2666-Is

