

## Georgia Dispute Resolution Profile

(Last updated: 3 May 2024)

### General Information

✓ **Georgia tax treaties are available at:**

<http://mof.gov.ge/en/4681>

✓ **MAP request should be made to:**

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· **APA request should be made to:**

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## Georgia Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>A. Preventing Disputes</b>				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	No	-	-
2.	Are bilateral APA programmes implemented? If yes:	No	According to the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing”, Advanced Pricing Agreement rules and procedures defined in Chapter 5 (Advanced Pricing Agreements) of the Instruction are applicable only to unilateral APAs, in accordance with the Article 129 <sup>1</sup> of the Tax Code of Georgia (Art. 18 of the Decree). The next Article (Art.19) foresees the possibility of discussion of the bilateral or multilateral APA agreements, stating that procedures related to such agreements may differ from the procedures defined in this chapter and that the Revenue Service may announce additional interpretation on the necessary procedures related to the request for bilateral or multilateral APA.	According to the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing”

### Georgia Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
a.	<p>☐ Are roll-back of APAs provided for in the bilateral APA programmes?</p>	No	<p>However, In Georgian tax legislation there is nothing preventing the application of roll-back, within the time limits, which is usually 3 year.</p>	<p>According to the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing”</p>
b.	<p>☐ Are there specific timeline for the filing of an APA request?</p>	Yes	<p>APA request should be done before conducting transaction. For unilateral APA the period from filling to conclusions of APA should not exceed 4 month, prolongation for 2 month is possible in exceptional case.</p>	<p>According to the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing” Tax code of Georgia – article 129<sup>1</sup></p>
c.	<p>☐ Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer’s request for bilateral APA assistance, publicly available?</p>	No	<p>However, Article (Art.19) of Decree foresees the possibility of discussion of the bilateral or multilateral APA agreements, stating that procedures related to such agreements may differ from the procedures defined in this chapter and that the Revenue Service may announce additional interpretation on the necessary procedures related to the request for bilateral or multilateral APA.</p>	<p>According to the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing”</p>
d.	<p>☐ Are there any fees charged to taxpayers for a bilateral APA request?</p>	No	<p>There is no specific fee stated for bilateral APA request, however for unilateral APA application fee is 30 000 Gel (approx. 10 000 EUR)</p>	-

Georgia Dispute Resolution Profile – Preventing Disputes				
e.	Are statistics relating to bilateral APAs publicly available?	No	As, there are no bilateral APAs Concluded.	-
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	Comprehensive Seminar on the Application of Tax Treaties).	-

### Georgia Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance
4.	Is other information available on preventing tax treaty-related disputes?	No	-	-

**Notes:**

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (“Transfer Pricing Guidelines”).

2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

**Georgia Dispute Resolution Profile – Availability and access to MAP**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>B. Availability and Access to MAP</b>				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	Article 38. of the Decree of the Minister of Finance №423 from 18/12/2013 “on Approval of the Instructions on International Transfer Pricing”, deals with the Mutual Agreement Procedure for Transfer Pricing cases.	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	No		-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	No		-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	No	-	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	No	-	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-

**Georgia Dispute Resolution Profile – Availability and access to MAP**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	-	<a href="https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20t">https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20t</a>
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	-	<a href="https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance">https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance</a>
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	Rule for the Mutual Agreement Procedure defined by the international agreement on the Avoidance of Double Taxation	<a href="https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf">https://mof.ge/images/File/or/magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf</a>  <a href="https://www.matsne.gov.ge/ka/document/view/5855596?publication=0">https://www.matsne.gov.ge/ka/document/view/5855596?publication=0</a>

Georgia	Dispute Resolution Profile – Availability and access to	MAP		
14.	Are there specific timeline for the filing of a MAP request?	Yes	A taxpayer should file a request within three years from the moment of discovery of non-compliance with the applicable tax convention.	<a href="https://mof.ge/images/File/or%20magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf">https://mof.ge/images/File/or%20magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf</a>  <a href="https://www.matsne.gov.ge/ka/document/view/5855596?publication=0">https://www.matsne.gov.ge/ka/document/view/5855596?publication=0</a>
15.	Are guidance on multilateral MAPs publicly available?	Yes		<a href="https://mof.ge/images/File/or%20magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf">https://mof.ge/images/File/or%20magi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf</a>  <a href="https://www.matsne.gov.ge/ka/document/view/5855596?publication=0">https://www.matsne.gov.ge/ka/document/view/5855596?publication=0</a>

**Georgia Dispute Resolution Profile – Availability and access to MAP**

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
16.	Are tax collection procedures suspended during the period a MAP case is pending?	No	-	-
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	Yes	Article 5(4) of Georgia's MAP guidance notes that Georgia's competent authority shall complete a MAP case within 24 months of the application being filed. However, this time period is only aspirational and that where the other competent authority suggests continuing discussions on a MAP case to endeavour to reach a solution, discussions can continue without a specific time limitation.	<a href="http://www.matsne.gov.ge/ka">www.matsne.gov.ge/ka</a>

## Georgia Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>C. Resolution of MAP Cases</b>				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	Yes	In case of initiation or refusal to initiate, the MAP taxpayer is notified within 1 month after receiving the application. Where the case can be solved unilaterally or the initiation of the bilateral or multilateral stage is required taxpayer is notified within 2 weeks. Within a reasonable period of time, CA notifies the taxpayer if it was unable to resolve the issue or exchange final letters regarding the decision with the other county's CA. The CA must complete the MAP within 24 months. The decision made in a result of the MAP is implemented after its adoption within 3 months.	<a href="https://mof.ge/images/File/ormagi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf">https://mof.ge/images/File/ormagi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf</a> <a href="https://www.matsne.gov.ge/ka/document/view/5855596?publication=0">https://www.matsne.gov.ge/ka/document/view/5855596?publication=0</a>
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	N/A	-	-
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	N/A	-	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	No	-	-

<b>Georgia Dispute Resolution Profile – Resolution of MAP cases</b>				
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties?  If not:	-	Treaties with Italy (2004) Liechtenstein (2015) and Netherlands (2003) provide for possibility of arbitration in certain MAP circumstances.	-
a.	· Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties?	No	-	-
b.	· Does your treaty policy allow you to include MAP arbitration in your tax treaties?	Yes	-	-

## Georgia Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	Yes	Rule for the Mutual Agreement Procedure defined by the international agreement on the Avoidance of Double Taxation	<a href="https://mof.ge/images/File/ormagi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf">https://mof.ge/images/File/ormagi-dabegvra/01-08-2023/Rule%20for%20the%20Mutual%20Agreement%20Procedure%20defined%20by%20the%20international%20agreement%20on%20the%20Avoidance%20of%20Double%20Taxation.docx.pdf</a> <a href="https://www.matsne.gov.ge/ka/document/view/5855596?publication=0">https://www.matsne.gov.ge/ka/document/view/5855596?publication=0</a>
a.	<ul style="list-style-type: none"> <li>Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice?</li> </ul>	No	-	-
25.	<p>Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?</p>	No	-	-

<b>Georgia Dispute Resolution Profile – Resolution of MAP cases</b>				
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?	See detailed explanation	Treaty with Switzerland foresees only the possibility of "consultation with a view to reach an agreement on the adjustment of profits". Treaties with Azerbaijan and Qatar contain the wording that makes possible such adjustment where the party considers it justified.	-

**Georgia Dispute Resolution Profile – Resolution of MAP cases**

s/n		<b>Response</b>	<b>Detailed explanation</b>	<b>Where publicly available information and guidance can be found</b>
27.	Is there any other information available on resolution of MAP cases?	N/A	-	-

## Georgia Dispute Resolution Profile – Implementation of MAP Agreements

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
<b>D. Implementation of MAP Agreements</b>				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	N/A	-	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	N/A	-	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	N/A	-	-
31.	Is there any other information available on the implementation of MAP agreements?	N/A	-	-