

Liberal Reforms

Another vital initiative is the tax reform undertaken in previous years (2004-2010). The table shows the main changes made in taxation:

Tax Reform Table

2004		Present	
VAT	20%	VAT	18%
Income Tax	12%-20%	Income Tax	20%
Social Tax	31%	Social Tax	0%
Profit Tax	10%-20%	Profit Tax	15%
Property Tax	1%	Property Tax	0% or 1%

Note: Fixed excise taxes are applied to alcoholic beverages, tobacco products, passenger cars, oil products and scrap metal exports.

CUSTOMS REFORM

- Simplified customs procedures
- Simplified and significantly reduced costs connected to foreign trade
- Number of import tariffs have been abolished on approximately 90% of products 3 tariff rates (0%, 5%, 12%) remain
- No quantitative restrictions (quotas) on imports and exports

Permission for moving goods at the border is issued at portals and customs clearance zones	in one day
Number of documents necessary for import and export registration	2 documents (1. invoice/agreement and 2. transportation document)
Time spent on import and export registration	An average - 15 minutes
Time spent on registration of cargo through "Red Corridors"	An average - one hour
Cost of export registration	"0" GEL
Cost of import registration	150, 300, 400 GEL; during non- working time the tariff is doubled
Cost of registration of declaration printed by importer (when declaring in advance)	100,200,300 GEL; during non-working time the tariff is doubled
The term of payment for import fees and service tariffs	5 days; 15 days - when declared in advance; 30 days - for members of "Golden List"
Cargo entry in customs clearance zone	0 GEL
Cargo stay in customs clearance zone	0 GEL
While viewing goods discharging/loading	0 GEL

Duration of border control on goods and means of transport crossing the border was reduced	up to 5 minutes (document control); up to 15 minutes in case inspection is required (“Red Corridor”)
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For more information visit the following web-page: www.rs.ge

MODERNIZED SYSTEM OF LICENSES AND PERMITS

- Number of licenses and permits reduced by 84%
- Licenses and permits are only used for the production of highly risky goods and services, usage of natural resources and other specific activities
- Significantly simplified procedures of issuing licenses and permits
- Introduced the “one-stop shop” and “silence is consent” principles

LIBERAL LABOR CODE- ONE OF THE MOST LIBERAL IN THE WORLD

- Simplified relations between employers and employees
- Significantly reduced hiring and firing expenses