

Georgian Law on Information-technological Zones

Article 1. Purpose of the law

1. Purpose of this law is to attract investments and create favorable environment for those who will perform economic activities in the field of information technologies.
2. Relations connected to information-technological activities and issues of becoming taxed as virtual zone person, are regulated by this law, in accordance with Georgian Tax Code and legislative acts.

Article 2. Term definitions

Terms used in this resolution have the following meaning for specific purposes:

- A) Virtual Zone- person or persons owning a virtual zone status;
- B) Virtual zone person-legal entity performing information-technological activities with the relevant status;
- C) Information technologies- computer-information systems, in particular studying, supporting designing, operation, elaborating, implementing, and managing computer software products;

Article 3. Virtual Zone Person Benefits

1. Issues of becoming taxed as virtual zone person, are regulated by this law, in accordance with Georgian Tax Code
2. Virtual Zone status owner's information-analytical activities will not be subject of taxing, such as:
 - A) Income received through providing service abroad;
 - B) Value-added tax for service delivery abroad
 - C) Goods withdrawal from Georgian customs zone without paying Export fee
3. Income received by the Virtual Zone status owner by delivering information-technological services abroad and in Georgia, costs will be deducted from the gross income, received through service provided in territory of Georgia, in proportion to the share.

Law, N5969 adopted on March 27, 2012- web-page, 12.04.2012

Article 4. Regulatory benefits of virtual Zone status owner

1. Virtual zone status owner is free from any special regulations.
2. Virtual zone status owner is not needed special licenses, permits and other regulatory documents to perform activities.

Article 5. Granting virtual zone status

1. An authorized body, defined by the Georgian government, grants status of the virtual zone owner.

2. Entities interested in receiving virtual zone status will be granted one within ten workdays. Rule and terms for receiving the status are defined by the resolution of the Georgian government.
3. Digital certificate confirming the membership of the virtual zone will be issued not later than two-day period from the date of granting the status.

Article 6. Activities in the Virtual Zone

Virtual zone activities include economic activities performed by the virtual zone owner, connected to creating information technologies in territory of Georgia.

Article 7. Transitional regulations

Georgian government should define terms and rules for granting virtual zone status, within a month from enacting the law.

Article 8. Final Regulation

This law must be enacted from January 1, 2011.

President of Georgia M. Saakashvili

Tbilisi, December 15, 2010

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Changes made:

1. Georgian Law N5969, March 27, 2011. - web page, 12.04.2012.