

NEWSLETTER

PRICING IN GEORGIAN LARI

Effective of 1 July 2017 any entrepreneur who offers goods and/or services, including advertising in the territory of Georgia is obligated to denominate the price pertaining to the transaction solely in Georgian Lari.

The Organic Law on National Bank of Georgia as well as the Georgian Law on Advertising already incorporated this limitation in due course, while the Administrative Offences Law of Georgia stipulates respective sanctions :

- ▶ First offence leads to the warning notice to the offender
- ▶ Second instance is subject to fine in amount of GEL1,000
- ▶ The third and every other instance is subject to fine in amount of GEL5,000

However, the decree by the president of the National Bank of Georgia establishes exceptions as to deviations from the new rule



This publication covers critically important legislative and tax changes that business should take into consideration for their daily operations and governance.

This particular issue is dedicated specifically the restriction of denominating engagement fees in Georgian lari only.

Please contact BDO LLC to discuss these matters in the context of your particular circumstances

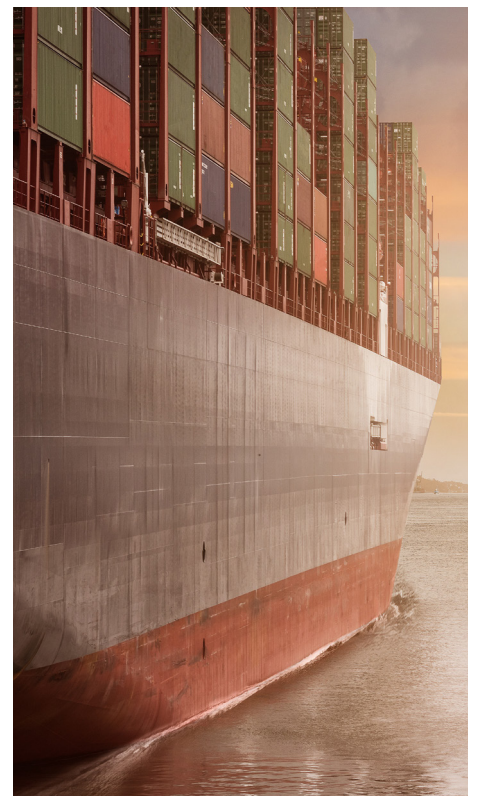
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Restriction of making offer into GEL shall not apply if the transaction is connected to:

- ▶ Sales of air tickets, hotel and leisure services if these are proceeded on foreign languages; Gambling
- ▶ International transportation of goods via sea, air, road and railway. This clause shall also apply to all services related to such transportations
- ▶ Sales of assets and/or rendering service in free trade zone, free industrial zone and the flying zone at the airports
- ▶ Roaming services
- ▶ Service related to reinsurance in foreign countries
- ▶ Service related to the patenting, registration and depositing of intellectual property
- ▶ Import, export/re-export and/or transit of electric energy, oil, water supply and natural gas

- ▶ Rendering services, contracted work or supplying goods to or by non-resident (including through its permanent establishment)
- ▶ Supply of goods and/or services (including construction work) within the projects to be implemented by international and/or foreign financial institutions and/or through investor funding (including partial funding) in the power engineering sector
- ▶ Sales of goods and/or services within the activities in field of power engineering performed in the occupied territories of Georgia
- ▶ Delivering on the obligations as stipulated by Georgia's international agreements/memoranda, as well as the circumstances defined by the law
- ▶ Service performed by the foreign payment system in the foreign currency
- ▶ Transferable securities, which certify the fact of partnership in foreign companies or its equivalent; transferable loan instruments/obligations; other securities, which guarantee the right to purchase securities upon signing it, purchasing it or exchanging it or which shall be performed by covering the difference between the agreed and current price, or which includes monetary compensation with emitted right by the joint investment fund; money or instruments of monetary market; with precious metals listed on the account; as well as demands connected to the instruments listed above, rights on such instruments or rights connected to it.





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