

## WHAT IS A SPECIAL MERCHADISE TRADE COMPANY?

- Special Trade Company is an enterprise conducting activities within the warehouse with the permit of warehouse activities
- If your business activities are related to re-export of goods, in order to develop effective business and to be exempted from profit tax, it is convenient to establish enterprise conducting activities within the warehouse - the Special Trade Company.
- Only this type of companies can obtain the status of Special Trade Company, alongside the registration for the current and future calendar years.



## WHAT ARE THE ADVANTAGES OF A SPECIAL TRADE COMPANY?

You will be able to:

- Re-export foreign goods
- Supply the foreign goods to the enterprises, with or without the status of Special Trade Company
- Aiming at the conduction of future re-exporting or/and supply, purchase the foreign goods with no less than customs value, from the enterprises not having the status of Special Trade Companies

Getting other income, besides the income being received from the activities mentioned above, including:

- Income being exempted from the profit tax in conformity with the Tax Code
- Income being received from the capital assets supply used for the economic activities for more than two years (the capital assets supply which were previously used for the economic activities for less two years is the subject of penalty which is equal of 50% of consideration which is received or may be received from that goods)
- Income, except as envisaged above, being received from income from a source in Georgia shall not exceed 1 million GEL and 5% of customs value of imported foreign goods in Georgia according to the tax period (year) (exceeding of established limit shall be subject to fine in the amount of 50 % of the exceeded amount).

## WHAT IS PROHIBITED FOR SPECIAL TRADE COMPANIES?

- Import of goods in Georgia, except the import for capital assets of the enterprise
- Purchase of goods of Georgia on the territory of Georgia for conduction of its future supply
- Provide service to enterprise of Georgia/individual entrepreneur or/and a permanent establishment of a foreign enterprise in Georgia
- Have a warehouse with the permit of warehouse activities



## HOW TO OBTAIN A PERMIT TO RUN A SPECIAL TRADE COMPANY?

Permit for a Special Merchandise Trade Company shall may be obtained on the grounds of an application filed to the Service Department of the Revenue Service (Address: 1, Aleksidze St., Tbilisi; Tel. 226 2167).

Application shall indicate the following:

- Name and legal form of the enterprise;
- Identification number of the enterprise and validity period of the status (which may be “open ended” or a specific year);
- Date of application and signature of the authorized representative.

Application of a taxpayer on the status granting is reviewed and certificate is issued no later than within 3 business days.

## IF I NEED A PERMIT:

- If you need the below listed permits/certificates for the goods to be imported/exported, they can be obtained through a simple procedure at the Revenue Service, including the electronic submission;
- On the basis of “one stop shop” principle the Revenue Service ensures the issuance of following permits and certificates:
  - permit on the transit of goods subject to the veterinary control;
  - Import permit for the goods subject to veterinary control;
  - Export, import, re-export or transit permits for dual use goods
  - Import permit on non-iodized salt;
  - Phyto-sanitary certificate and re-export phyto-sanitary certificate;
  - Veterinary certificate;

Permit on the export, import, re-export and introduction from the sea of species included in the Annexes to the Convention on International Trade in Endangered (CITES), parts and derivatives thereof;

- Hygiene certificates;
- Certificate on the Waiver of Sanitary Control of a Vessel, Certificate on the Execution of a Sanitary Control of a Vessel;
- Certificate of Origin, products with grape origin.