



Responding to COVID-19: BRITACOM PERSPECTIVE, 2 June 2020

Script of speech

Mr. Levan KAKAVA, Director General, Georgia Revenue Service

Mr. Wang, distinguished colleagues,

Dear participants, I have honor to greet you on behalf of the Revenue Service of Ministry of Finance of Georgia and of course to thank you for organizing this meeting that gives us opportunity for sharing utmost important experience regarding how best we can manage tax administrations during severe crisis.

As many of you are aware, Georgia is enthusiastically involved in all activities and directions of the “One Belt One Road Initiative” and it is not surprising that tax administration of Georgia is a founding member of the BRITACOM. Thus, we regret that due to the pandemic we are not able to meet face-to-face at BRITACOF that was planned to be held in Kazakhstan.

However, I strongly believe, that our countries together will shortly overcome this crisis and this organization will be even stronger and tougher, and will perform its unique role in the environment of international tax cooperation, nice example of which is today’s gathering.

Before moving to the matter, I would like to use this opportunity and send my condolences to all who went through this tragic and lost the lives of their citizens. This tragic happened in Georgia too, and this virus have taken live of 12 our citizens. However, I would like to mention that lives lost would have been lot higher if not immediate response of our Government and society to the very first signs of the pandemic. Highest civic awareness and responsibility that our citizens have demonstrated have saved lives of countless.

Despite above mentioned, it is the duty of our tax administrations to think about the future of our countries, about tomorrow and about the difficulties that our states will have to overcome in the post-crisis period. We shall stand in the front-line to help our citizens overcome these difficulties easily and painlessly. In this context, I would like to express my gratitude to our international partners, who are helping us in every possible way to get us out of the crisis smoothly and eliminate the negative consequences of the pandemic.

With your permission, I would like to move on with the main topic of our meeting and talk about the responsive measures taken by Georgian tax administration to combat negative consequences of COVID-19, and although the Revenue Service is a unified administration of tax and customs, I will mainly focus on the measures taken in the direction of taxation.

So, from the very first day of the pandemic, we started thinking about moving to a new way of



working, so that on the one hand, the business processes would not be stopped and on the other hand, the safety of both taxpayers and employees would be protected. For this purpose, we have transferred most of employees to remote working. This measure did not apply to the work of service centers, call centers and other critically important structural units; offices were equipped with all appropriate technical and personal protective equipment; In order to minimize the direct physical contacts at service centers, additional 20 electronic service apps were added to already existing 180 electronic applications; Corresponding to the increased demand, additional employees have been allocated to the call center and other relevant structural units, whose function is to provide electronic and remote communication with taxpayers. In addition, workstream of SMS and e-mail services have increased drastically; Situational manuals and video clips describing the means and forms of communication with the Revenue Service regarding various tax issues and many other useful information were posted and updated regularly on our website.

Of course, the delays and damages caused by COVID-19 to the normal functioning of the country's economic life, have caused excessive financial damage and reduction of cash flows to our taxpayers and made it impossible to fulfill their tax obligations in a timely and comprehensive manner. As a result, given the current situation, we have introduced number of measures and benefits to simplify the administration process. In particular, all taxpayers affected by the pandemic were deferred to pay income and property taxes; tax audits and tax collection measures have been partially suspended; In order to increase the cash flow into the business, the procedure for automatic VAT refund has further been simplified; An "electronic tax dispute platform" has been introduced to allow taxpayers to participate in dispute resolution hearings remotely.

A preferential tax policy has been implemented for the sectors affected by the COVID-19, namely: Critically important medical items for the COVID-19 were exempt from the VAT; The tourism sector, as the most affected one, was completely exempted from paying property taxes during 2020; exemption from income tax on salaries was introduced on individuals whose salaries do not exceed certain threshold; Identified self-employed persons who have lost their source of income due to the crisis will receive one-time compensation, while those employees who have lost their jobs will receive unemployment compensation for the period of 6 month.

It should also be noted that from the very first day of the declaration of the state of emergency, the Revenue Service has been actively involved in monitoring the implementation of restrictions imposed by the government, as well as in the process of identifying recipients of Government compensation.

Summing up, I would like to inform you that the state of emergency declared in Georgia has been revoked, and from June 1st most of the organizations and institutions, including our administration, have returned to their normal mode of operation. I hope that in the nearest future the situation will stabilize around the globe and we will soon be given the opportunity to meet face to face and get to know each other.



Thank you!

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