

Law of Georgia

on License Fees

As of 16 March 2001

Article 1. General Provisions

This Law shall, pursuant to Article 94 of the Constitution of Georgia and the Law of Georgia on the Principles of the System of Fees, define the types and rates of the fees established by the State for granting the right to engage in License trade and/or to use thereof, the procedure for and terms of payment of these fees.

Article 2. Concept of License Fee

A license fee (save the local license fees fixed by agencies of local self-government and administration) is a single mandatory sum payable to the central; budget by natural and legal persons at the rate prescribed by this Law for granting to them the right to engage in the activities defined by law and/or to use thereof, as well as for certain services rendered by the State.

Article 3. Object of Taxation with License Fee

The object of taxation with a license fee is the activity, which shall, pursuant to the Law of Georgia On Licensing of Entrepreneurial Activity and to other statutes, be subject to licensing.

Article 4. Payers of License Fee

The payers of a license fee shall be legal or natural persons – grantees of a license for the right to engage in the activities defined by the Law of Georgia on Licensing of Entrepreneurial Activity and by other statutes.

Article 5. Rates of License Fee

1. Air carriage/transportation:
 - a) regular international transportation -3000 GEL
 - b) irregular international transportation - 1000 GEL
 - c) regular domestic transportation – 500 GEL
 - d) irregular domestic transportation – 50 GEL
2. Recording of Securities – 500 GEL.
3. One kind of a broker company’s activity as per Article 23 of the Law of Georgia on Securities Market 300 GEL (per each additional kind 50 GEL).
4. One kind of a broker’s activity as per Article 23 of the Law of Georgia on Securities Market - 75 GEL (per each additional kind – 25 GEL).
5. Manufacture of medicinal, narcotic drugs and substances subject to special control 400 GEL.
6. Manufacture of medicinal drugs applicable in veterinary medicine - 400 GEL.
7. Medical institutions activity:
 - a) activity of a pharmacy – 300 GEL;
 - b) activity of a pharmacy branch – 50 GEL;
 - c) activity of a pharmaceutical base/depot - 400 GEL;

- d) activity of a feldsher-obstetrical clinic - 20 GEL;
- e) activity of a medical clinic - 40 GEL;
- f) activity of a polyclinic, dispensary 100 GEL;
- g) activity of a village hospital – 50 GEL;
- h) activity of a town hospital – 200 GEL;
- i) the range of the activity kinds as per subparagraphs “d” to “h” is defined by the President of Georgia and is noted in the license
- 8. Medicines imports – 0.1% of the imported medicines’ value.
- 9. Medicines exports – 100 GEL.
- 10. Technical inspection of motor vehicles by specialized centres – 200 GEL.
- 11. Activity of an auditor firm – 300 GEL.
- 12. Activity of an individual auditor – 150 GEL.
- 13. (Deleted)
- 14. Activity of a private educational and training institution - 30 GEL, per each specialty in addition -10 GEL.
- 15. Study of mineral resources – 200 GEL.
- 16. Extraction of mineral resources:
 - a) on coal deposits - 1300 GEL;
 - b) on tuff and sapropelite deposits 450 GEL;
 - c) on ferrous metallic ore deposits – 1400 GEL;
 - d) on non-ferrous metallic ore deposits - 1200 GEL;
 - e) on noble metallic ore deposits - 850 GEL;
 - f) on rare-earth metallic deposits – 600 GEL;
 - g) on mining raw material deposits. 1100 GEL;
 - h) on non-metallic deposits:
 - h.a) on small and medium-size deposits – 900 GEL;
 - h.b) on large deposits - 1.250 GEL.
 - i) on gems deposits 650 GEL;
 - j) on building material deposits:
 - j.a) on small- and medium-size deposits – 900 GEL;
 - j.b) on large deposits – 12500 GEL.
 - k) on internal water deposits:
 - k.a) on small- and medium-size deposits - 600 GEL;
 - k.b) on large deposits – 1800 GEL.
 - l) on mud deposits – 500 GEL;
 - m) on carbon dioxide deposits – 450 GEL;
 - n) on underground thermal water deposits – 550 GEL;
 - o) on underground sweet water deposits – 400 GEL.
- 17. Extraction of hard mineral resources and utilization of processing waste and tailings – 500 GEL.
- 18. Construction and operation of natural cavities, underground structures not related to the extraction of mineral resources and the creation of the entrails objects requiring special protection - 300 GEL.
- 19. Trade in firearms and combat materials –100 GEL.
- 20. Production of firearms and combat materials – 100 GEL.
- 21. Repair of firearms and combat materials – 100 GEL.

22. Receipt of a license copy – 10 GEL.
23. Insurance:
- a) life insurance – 500 GEL;
 - b) pension insurance (additional income insurance) – 500 GEL;
 - c) accident and sickness insurance – 500 GEL;
 - d) medical insurance – 500 GEL;
 - e) land transport insurance – 500 GEL;
 - f) air transport insurance – 500 GEL;
 - g) sea transport insurance – 500 GEL;
 - h) cargo insurance – 500 GEL;
 - i) insurance of all kinds of property save the kinds as per subparagraphs “e” to “g” of this paragraph – 500 GEL;
 - j) insurance against financial risk – 500 GEL;
 - k) motor vehicle holders’ civil liability insurance – 500 GEL;
 - l) carriers’ civil liability insurance – 500 GEL;
 - m) professional liability insurance – 500 GEL;
 - n) default liability insurance – 500 GEL;
 - o) insurance against all kinds of civil liability save the kinds as per subparagraphs “j” to “n” of this paragraph – 500 GEL;
 - o) reinsurance – 500 GEL.
24. Agency in insurance – 500 GEL.
25. Banking – 500 GEL.
26. Currency exchange services – 50 GEL.
27. Stock exchange activity – 2000 GEL.
28. Central depository activity – 1000 GEL.
29. Arranging circulation and non-circulation (instant) encouraging lotteries, lottos, tolos and systems (electronic) games – 1000 GEL.
30. Operation of casinos - 1500.0 GEL.
31. Operation of gambling machines 1000 GEL.
32. Activity of natural persons engaged in gambling business – 100 GEL.
33. Design and construction:
- a) engineering prospecting work – 100 GEL;
 - b) urban development – 100 GEL;
 - c) design of residential, civil and public buildings and structures – 100 GEL;
 - d) design of industrial production and agricultural buildings and structures – 100 GEL;
 - e) design of transport projects - 100 GEL;
 - f) design of energy, hydrotechnical and land ameliorations projects – 100 GEL;
 - g) design of water-supply, engineering systems and networks – 100 GEL;
 - h) examination of construction and design activities – 100 GEL;
 - i) conservation, restoration-reconstruction, adaptation of the monuments of history and culture – 200 GEL;
 - j) production of building structures – 200 GEL;
 - k) construction of residential, civil and public buildings and structures – 200 GEL;
 - l) construction of industrial and production buildings and structures – 200 GEL;
 - m) construction of energy projects – 200 GEL;

- n) construction of engineering systems and communications – 200 GEL;
 - o) construction of transport projects – 200 GEL;
 - p) building of bridges and tunnels – 200 GEL;
 - q) construction of cable lines, radiotelephone and television-relay lines, radiostations – 200 GEL;
 - r) construction of special structures – 200 GEL ;
 - s) construction of agricultural projects –200 GEL;
 - t) hydrotechnical and land amelioration engineering – 200 GEL;
 - u) erection of technological equipment and communications and start-up and adjustment works 200 GEL.
34. Manufacture of metrological and measuring instruments – 50 GEL.
35. Repair of metrological and measuring instruments – 50 GEL.
36. Processing of goods on customs territory – 1,000 GEL.
37. Processing of goods under customs supervision – 1,000 GEL.
38. Activities in the spheres of communications and postal services:
- a) granting of postal services:
 - a.a) receipt, sending, carriage and handing of local and international mail consignments – 1,000 GEL.
 - b) granting of services via local, trunk and international links, via cable TV and radio broadcasting, via transfer of data and internet network:
 - b.a) granting of services via local telephone system and network – GEL 2,500;
 - b.b) granting of services via trunk and international telephone links - GEL 3,000;
 - b.c) granting of services via cable TV and radio broadcasting network – GEL 1,000;
 - b.d) granting of services via data transfer and internet cable network – GEL 1,000;
 - b.e) granting of services to within country and international data highways via symmetric, coaxial and fibrous-optical highways – GEL 3,000;
 - c) granting of services via satellite and international systems:
 - c.a) granting of services via elevated stations of TV and radio broadcasting satellite systems – GEL 1,000;
 - c.b) granting of services via trunk and international telephone links with application of satellite systems – GEL 3,000;
 - c.c) granting of services via data transfer and internet network with application of satellite systems – GEL 1,000;
 - d) activities with application of frequency spectrum:
 - d.a) activities via mobile and fixed radiotelephone links – GEL 1,000;
 - d.b) granting of services via data transfer and internet network with application of radio-links - GEL 1,000;
 - d.c) granting of services via personal radio-fetch connection - GEL 1,000;
 - d.d) granting of services via cellular telephone links – GEL 3,000;
 - d.e) on air TV and radio broadcasting – GEL 1,000;
 - d.f) granting of services via data transfer and internet elevated network with application of frequencies - GEL 1,000;
 - d.g) granting of services via paging systems - GEL 1,000;
 - d.h) granting of services via trunk systems - GEL 1,000;
 - d.i) granting of services via air, naval and land navigation systems - GEL 1,000;
39. Customs broker activities - GEL 1,000;

40. Customs carrier activities - GEL 1,000;

Article 6. Establishment of License Fee Payment Privileges

1. Privileges for payment of license fees are established by this Law.
2. The establishment of individual privileges for the payment of license fees is inadmissible.

Article 7. Procedure for payment of License Fee to Budget

The crediting of a license fee for the budget is effected in accordance with the Law of Georgia on the Budgetary System and the Budgetary Powers.

2. A license fee shall be paid prior to the granting of the license. A natural or legal person applying for a license or receiving a copy of the license is obliged to submit the payment receipt together with other instruments to a respective license-granting agency.
3. The payment of a license fee is effected in the form approved by the Ministry of Finance of Georgia.
4. The overpaid sum is refunded to a license applicant within 20 days as of the date of his written statement.

Article 8. Procedure for settling disputes

1. A dispute related to the matter of a license fee is settled by a court under the procedure prescribed by the laws of Georgia.
2. The lodging of a claim with a court does not exempt the taxpayer from the payment of a license fee.

Article 9. Entry of Law into Force and Invalidated Statutory Acts

1. This Law enters into force upon publication.
2. In connection with the entry into force of this Law (save the acts on local fees adopted by local self-government and administration agencies), the following shall be deemed null and void:
 - a) the Georgian Education Minister's Order "On the Examination-License Costs of Non-governmental Secular Educational Institutions" No. 259 of 6 July 1995;
 - b) the Georgian Health Minister's Order "On the Approval of License Rates Fixed for Granting Licenses to the Pharmaceutical Institutions of Georgia" No.137/0 of 10 April 1998;
 - c) the Order by the Minister of Health Care of the Republic of Georgia No.347/0 of 31 July 1996;
 - d) the Order by the Minister of Health Care of the Republic of Georgia No.514/0 of 1 November 1996.

President of Georgia
Eduard Shevardnadze
Tbilisi,
16 December 2000
No. 2347-RS