

TECHINFORMI

**LAW OF GEORGIA
ON LICENSE FEE**

47 , Kostava str., 380079 Tbilisi, Georgia

Fax: (8832)987618, Tel.: 988374

E-mail: dor@tech.org.ge

Law of Georgia

on License Fee

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 in Licensing of Entrepreneurial Activity to other statutes, be subject to licensing.

Article 4. Payers of License Fee

The payers of a license fee shall be the 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

No.	Activity	Rate in GEL
1.	Air carriage/transportation:	
	a) regular international transportation	3.000
	b) irregular international transportation	1.000
	c) regular domestic transportation	500.0
	d) irregular domestic transportation	50.0
2.	Recording of Securities	500.0
3.	One kind of a broker company's activity as per Article 23 of the Law of Georgia on Securities Market	300.0
	(per each additional kind)	50.0
4.	One kind of a broker's activity as per Article 23 of the Law of Georgia on Securities Market	75.0
	(per each additional kind)	25.0
5.	Manufacture of medicinal, narcotic drugs and substances subject	400.0

No.	Activity	Rate in GEL
	to special control	
6.	Manufacture of medicinal drugs applicable veterinary medicine	400.0
7.	Medical institutions activity:	
	a) activity of a pharmacy	300.0
	b) activity of a pharmacy branch	50.0
	c) activity of a pharmaceutical base/depot	400.0
	d) activity of a feldsher-obstetrical clinic	20.0
	e) activity of a medical clinic	40.0
	f) activity of a polyclinic, dispensary	100.0
	g) activity of a village hospital	50.0
	h) activity of a town hospital	200.0
	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	100.0
10.	Technical inspection of motor vehicles by specialized centres	200.0
11.	Activity of an auditor firm	300.0
12.	Activity of an individual auditor	150.0
13.	(Deleted)	
14.	Activity of a private educational and training institution	30.0
	(per each specialty in addition)	10.0
15.	Study of mineral resources	200.0
16.	Extraction of mineral resources:	
	a) on coal deposits	1.300.0
	b) on tuff and sapropelite deposits	450.0
	c) on ferrous metallic ore deposits	1400.0
	d) on non-ferrous metallic ore deposits	1200.0
	e) on noble metallic ore deposits	850.0
	f) on rare-earth metallic deposits	600.0
	g) on mining raw material deposits	1100.0
	h) on non-metallic deposits:	
	h.a) on small and medium-size deposits	900.0
	h.b) on large deposits	1.800.0
	i) on gems deposits	650.0

No.	Activity	Rate in GEL
	j) on building material deposits:	
	j.a) on small- and medium-size deposits	900.0
	j.b) on large deposits	12500.0
	k) on internal water deposits:	
	k.a) on small- and medium-size deposits	600.0
	k.b) on large deposits	1800.0
	l) on mud deposits	500.0
	m) on carbon dioxide deposits	450.0
	n) on underground thermal water deposits	550.0
	o) on underground sweet water deposits	400.0
17.	Extract of hard mineral resources and utilization of processing waste and tailings	500.0
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	300.0
19.	Trade in firearms and combat materials	100.0
20.	Production of firearms and combat materials	100.0
21.	Repair of firearms and combat materials	100.0
22.	Receipt of a license copy	10.0
23.	Insurance:	
	a) life insurance	500.0
	b) pension insurance (additional income insurance)	500.0
	c) accident and sickness insurance	500.0
	d) medical insurance	500.0
	e) land transport insurance	500.0
	f) sea transport insurance	500.0
	g) cargo insurance	500.0
	h) insurance of all kinds of property save the kinds as per subparagraphs “e” to “g” of this paragraph	500.0
	i) insurance against financial risk	500.0
	j) motor vehicle holders’ civil liability insurance	500.0
	k) carriers’ civil liability insurance	500.0
	l) professional liability insurance	500.0
	m) default liability insurance	500.0
	n) insurance against all kinds of civil liability save the kinds as	500.0

No.	Activity	Rate in GEL
	per subparagraphs “j” to “n” of this paragraph	
	o) reinsurance	500.0
24.	Agency in insurance	500.0
25.	Banking	500.0
26.	Currency exchange services	50.0
27.	Stock exchange activity	2000.0
28.	Central depository activity	1000.0
29.	Arranging circulation and non-circulation (instant) encouraging lotteries, lottos, toots and systems (electronic) games	1000.0
30.	Operation of casinos	1500.0
31.	Operation of gambling machines	1000.0
32.	Activity of natural persons engaged in gambling business	100.0
33.	Design and construction:	
	a) engineering prospecting work	100.0
	b) urban development	100.0
	c) design of residential, civil and public buildings and structures	100.0
	d) design of industrial production and agricultural buildings and structures	100.0
	e) design of energy, hydrotechnical and land ameliorations projects	100.0
	f) design of water-supply, engineering systems and networks	100.0
	g) examination of construction and design activities	100.0
	h) conservation, restoration-reconstruction, adaptation of the monuments of history and culture	200.0
	i) production of building structures	200.0
	j) construction of residential, civil and public buildings and structures	200.0
	k) construction of industrial and production buildings and structures	200.0
	l) construction of energy projects	200.0
	m) construction of engineering systems and communications	200.0
	n) construction of transport projects	200.0
	o) building of bridges and tunnels	200.0
	p) construction of cable lines, radiotelephone and television-relay lines, radiostations	200.0
	q) construction of special structures	200.0

No.	Activity	Rate in GEL
	r) construction of agricultural projects	200.0
	s) hydrotechnical and land amelioration engineering	200.0
	t) erection of technological equipment and communications and start-up and adjustment works	200.0
34.	Manufacture of metrological and measuring instruments	50.0
35.	Repair of metrological and measuring instruments	50.0
36.	Processing of goods on customs territory	1000.0
37.	Processing of goods under customs supervision	1000.0

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, 23 July 1999
No. 2347-RS

As amended of 9 September 1999, Law No. 2405-1s