STATE TREATY ELECTRONIC SERVICE SYSTEM

In 2010 State Treasury Electronic Service System was implemented. Paper-based documents’ flow between spending organization and the Treasury Service has been completely eliminated, resulting in significant saving of time and financial resources, as well as improvement of the service quality and enhancement of transparency of the processes.

Advantages of E-Treasury System are:

- Simplified everyday activities of spending organizations
- Accelerated and e-based exchange of information between spending organizations and Treasury
- Speedy exchange of information and high level of process management efficiency
- Reduction of administrative costs.

ELECTRONIC PROGRAM FOR BUDGETING

In 2010 E-Budget program was developed and launched. Electronic Program for Budgeting enables all budgetary institutions to plan their budgets electronically. Advantages:

- Simplified and systematized process of budget planning
- Automated stages of budget planning improving time and human resources efficiency
- Significant reduction of mistakes in the budget elaboration process
- Ability to produce reports for different categories of customers
- Storage of information in unified database

ELECTRONIC AUCTION

Objects seized by the state subsequent to the commission of unlawful acts are put up for auction.

Advantages of E-Auction:

- Participation in online auction from home or office
• There is no necessity of advanced payment
• Free of charge delivery of purchase above 50 GEL
• Flexible system of monitoring of price changes
• Bilingual interface

Privatization Reform

Privatization process and its procedures were simplified and became more flexible due to several legislative amendments. In addition, e-forms of privatization were drafted and modernization of e-based privatization system was launched.

Consequently, privatization process became more transparent, easy and speedy. Currently, all auctions take place in see-through rooms, which are open to media sources and interested persons. In addition, “one stop-shop” principle was introduced that saves the time and resources of the winner of the auction: Banks and Public Registry branches are located in the same building and can be accessed easily.

Moreover, creation of e-base privatization process increased the level of competitiveness and provided chance for citizens to participate in process distantly, while being abroad or at home.

Simplified and Enhanced Mechanism of Licensing

Procedures concerning the construction licenses, licenses to obtain natural resources and/or to export, reexport, import and transit product of double-use were enhanced and simplified. For instance, an applicant who applies for the license to obtain natural resources addresses only special Department of the Ministry of Economy and Sustainable Development. The latter is obliged to consult and send all necessary information to the Ministry of Environmental Protection and Natural Resources for the opinion. In case of approval, Ministry of Economy and Sustainable Development pronounces auction and publishes information in newspaper available for all interested persons. Simplification of this process saves time and resources of the applicant, as well as reduces corruption in this area.

New Tax Code of Georgia


Purpose of the New Tax Code of Georgia is to increase confidence towards the Georgian tax system and to make administration more rational, remove ambiguities and harmonize the Georgian law with the best international practices and EU directives. The New Tax Code foresees simplified provisions and clearly established rules. Thus double interpretation possibilities are significantly minimized.
With the adoption of the New Tax Code and simplification of the tax regimes, Georgia is ranked 4th by the Forbes Tax Misery and Reform Index after Qatar, UAE and Hong Kong and also 23rd by the 2010 Annual Report on World Economic Freedom by the Fraser Institute. The features and advantages of the recently adopted Tax Code of Georgia include:

- Unification of the tax and customs codes;
- New definitions of the micro and small businesses;
- Clarification of the taxpayer’s rights;
- Advance tax ruling;
- Tax refund;
- Transfer pricing and thin capitalization;
- Communication between the tax authorities and taxpayers.

Business Ombudsman

The Business Ombudsman of Georgia will protect the rights and legal interests of taxpayers. The Business Ombudsman will have the right to establish breaches, accept and discuss individual claims, he/she will enhance relationship between state and private sector.