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UPDATE

on COVID-19

The Belt and Road Initiative Tax
Administration Cooperation Mechanism

EDITOR'S NOTE:

At this critical moment in the world's fight against the COVID-19, the Special Edition of the BRITACOM Update on COVID-19 is issued, aiming to provide a platform for BRITACOM Council Members, Observers and other stakeholders to exchange views and share experience in responding to the outbreak. Issue 14 is updated Tax Administration Responses to Covid-19 provided by Revenue Service of Georgia. Later we will share more experience of tax administrations from countries and regions and views of international organizations and tax experts with you. If you would like to make contributions to the Special Edition, please contact us via email secretariat@britacom.org or britacom@163.com.

Tax Administration Responses to Covid-19

Revenue Service of Georgia

1. Taxpayers support measures

A. Tax relieves

- Persons of tourism sector, as well as those who had to stop their economic activities due to COVID-19, may defer paying property and withholding income tax (at the source of payment) until November 1, 2020;
- The fixed tax, for March, May and April, was not accrued to the following activities: beauty salon, manicure/pedicure (including nail extensions), solarium services;
- VAT exemption has been applied to the supply or import of goods of medical purpose, such as: protective face shields, masks, buckles, gloves, insulating overalls, medical gowns, sets of medical gowns, plastic goggles, contactless thermometers until October 1, 2020;
- Taxpayers of Gambling business may resume their activities after the end of the state of Emergency and pay the fee proportionally, according to the actual working days, instead of advance payment for the entire reporting period (quarter).

In addition, a bill has been developed and submitted to the Parliament for the following benefits:

- The tourism sector to be completely exempt from property tax in 2020;
- Enabling persons of tourism sector to defer paying income/profit tax until the end of 2020;
- Starting from May 1, employees working in private sectors, whose remuneration does not exceed 1500 GEL, to be exempt from PIT (personal income tax) on the amount of 750 Gel for following 6-month period.

B. Simplified tax refunds

- For the purpose of automatic VAT refund, the process of responding to the “risk of registration” has been simplified;
- The procedure for refunding money in the part of submitting a “taxpayer request” has been simplified”.

C. Enhanced services during COVID-19

- Most of services can be accessed via internet (on-line), thus the need of visiting the service centers is minimized;
- A video instruction has been developed (<https://www.youtube.com/watch?v=NLqeCP3I7OQ>)

by which interested persons may receive detailed information about the electronic services offered by the Revenue Service;

- A project of “Electronic platform for Dispute resolutions” has been implemented, within which the taxpayer may participate in the dispute resolution hearing remotely, using electronic means of communication;
- Submitting additional 25 applications from taxpayers portal have become available;
- Due to the state of emergency, additional operators have been appointed to ensure activation of taxpayers’ portal of Revenue Service and the restoration of the forgotten password/user for the smooth use of remote services;
- The number of daily incoming calls on the hotline of the Revenue Service has increased by almost 40%. In response, the working schedule of the information call-center was extended and during the Emergency period, the working hours are set from 09:00-20:00 every day, including weekends, while in normal conditions, the working hours are from 09:00-18:00 Monday-Friday;
- Situational guidelines/manuals have been developed in order to clarify tax liabilities and to make it easier for taxpayers to understand the tax norms. The manuals are about: Services provided free of charge during the state of Emergency (N2537); Suspension of taxable activities during the period of Emergency (N2538); Organized transfer of employees during the state of Emergency (N2539); providing hotel accommodation services free of charge for quarantine purposes (N2540); taxation of funds transferred to the STOPCOV state fund with profit tax (N2541);
- Tax liabilities/sanctions recorded on the taxpayer’s temporary registration card will be transferred to the main personal registration card only if the person has not appealed the decision of relevant tax/customs authority within 30 days after abolishing the state of Emergency; as well as, if the person has not lodged against the decision of the dispute resolution body within 20 days after abolishing the state of Emergency; Consequently, the deadlines for filing and reviewing the compliant have been suspended during the Emergency and compulsory tax debt collection measures will not be applied to taxpayers during this time.

D. Communication with taxpayers

- Various communication channels have been offered to facilitate communication with taxpayers and to provide them with necessary information and services -
 - ✧ The information call-center (2 299 299) has moved to a new mode of operation and call-center operators serve the citizens, every day, including weekends, from 9:00-20:00;
 - ✧ In order to provide written explanations by mail (info@rs.ge) the number of consultants

has increased by 61 operators;

- ✧ In order to access electronic services, video-activation procedures for individuals have been simplified, besides the legal entities have been enabled to use this service;
- ✧ For phone communication and consultations with the representative of Revenue Service, additional 24 number in service centers have become available for taxpayers from 9:00-18:00;
- ✧ Information on changes to the tax legislation as a result of pandemic is sent as a notification to Taxpayers authorized portal;
- Information about the measures taken is disseminated by the representatives of the Revenue Service through the media, including social media;
- Even before the Georgian government declared a state of emergency, the Revenue Service called on taxpayers and other stakeholders to make the most of e-services, which are available on the taxpayer's portal, instead of visiting service centers;
- In order to effectively use remote services, the information is presented on the official website of the Revenue Service in the form of general electronic services of the Revenue Service, electronic tax and customs services;
- Guidelines (brochures) have been prepared for the most demanding services to make it easier for the interested person to use remote services;
- The banner 'COVID-19' has been posted on the website of the Revenue Service, where, due to the state of emergency created by the current pandemic, information on tax benefits is constantly updated;
- The information is instantly updated on the official website of the Revenue Service (www.rs.ge) and on the Facebook page. In addition, a new category of questions has been added to the frequently asked questions on www.rs.ge;
- An online conference was held by the representatives of Revenue Service with the Union of Accountants to introduce taxpayers support program during the pandemic and the crisis.

2. Business continuity

A. Remote working

- An order was issued by the Revenue Service to determine specific measures to prevent the possible spread of new Coronavirus (COVID-19). Based on the challenges, relevant issues were determined in order to ensure continuity of the activities of structural units;
- In order to ensure the safety of employees and taxpayers, work schemes have been developed to determine the functions that could be performed remotely (from home);

- In accordance with the order of the Director General of the Revenue Service, the heads of the structural units shall be authorized to determine the part of the employees who will perform their functions and duties remotely;
- Employees, whose activities do not particularly require being in the workplace/office and who could work remotely, have been identified;
- With IT support, it has become possible to provide remote mode for employees.

B. Ensuring the safety of employees and taxpayers

- Relevant recommendations are maintained in face-to-face communication, including personal safety measures, social distance protection and the use of PPEs;
- By order of the Director General of Revenue Service, it is restricted by the tax administration to organize public events until the pandemic threat is reduced;
- Access / movement of visitors within the administrative buildings of the Revenue Service is restricted as much as possible.

C. Tax Audit

- Tax audits are temporarily reduced (not completely suspended). Tax audit acts are issued: a) at the request of the taxpayer; b) if no additional tax liabilities were revealed or declared tax liabilities were reduced as a result of tax audit; c) on tax audits initiated by law enforcement agencies; d) on the results of determining the accuracy of the recognition of the shortage as a supply of goods, as a result of taking stock of inventory; e) on the results of fictitious operations;
- Ongoing field audits have been suspended.

D. Communication with the employees

- Information on the changes made in the tax legislation, including the manuals issued in accordance with the state of emergency, is constantly shared with the operational departments;
- Employee should provide to the immediate supervisor the information about remote working, contact with a person from the risk group, self-isolation, quarantine etc.;
- In the pandemic, employees can provide information about their health status, work schedule to the Human Resources Management and Development and Staff monitoring Departments at HR19@rs.ge (a new e-mail has been opened particularly for this purpose);
- Employees contact information is constantly updated.

E. Caring for the employees

- Remuneration for employees working remotely has been fully retained;
- The trainings planned for human resource development, which were to be conducted in a traditional audience format, have been changed and are being carried out remotely, using electronic platforms;
- Employees are constantly sent information about various online trainings, including those not previously planned, to enable them to use the emergency period productively;
- Previously planned employee hiring procedures have been suspended during the pandemic. After the end of the state of emergency, it will be restored and conducted taking into considerations the recommendations of World Health Organization.

F. Taking other functions by the tax administration during the state of emergency

- After declaring the state of emergency, mobile groups were set within Tax Monitoring Department of Revenue Service. The function of such groups is constant monitoring the implementation of the government's resolution on a daily basis. In particular:
 - ✧ They identify those entrepreneurial entities which were obliged to suspend their economic activities during the state of emergency, and take measures in accordance with the legislation;
 - ✧ They monitor the entities which are not prohibited from conducting economic activities during the state of emergency, in terms of whether they comply with the requirements and recommendations set forth in the COVID-19, such as: protective equipment and gloves for service personnel; whether they monitor and taking measures in order to maintain social distance (2 meters) between the costumers; whether they are carrying out disinfection, etc.;
- A group of employees of the Revenue Service has been selected and trained to answer the incoming questions regarding the regulations and conditions of the state of emergency on the Government's hotline – 144.



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