



# MOF Performance Report For 3 Past Years

Tbilisi

October, 2015.

# System of Ministry of Finance of Georgia



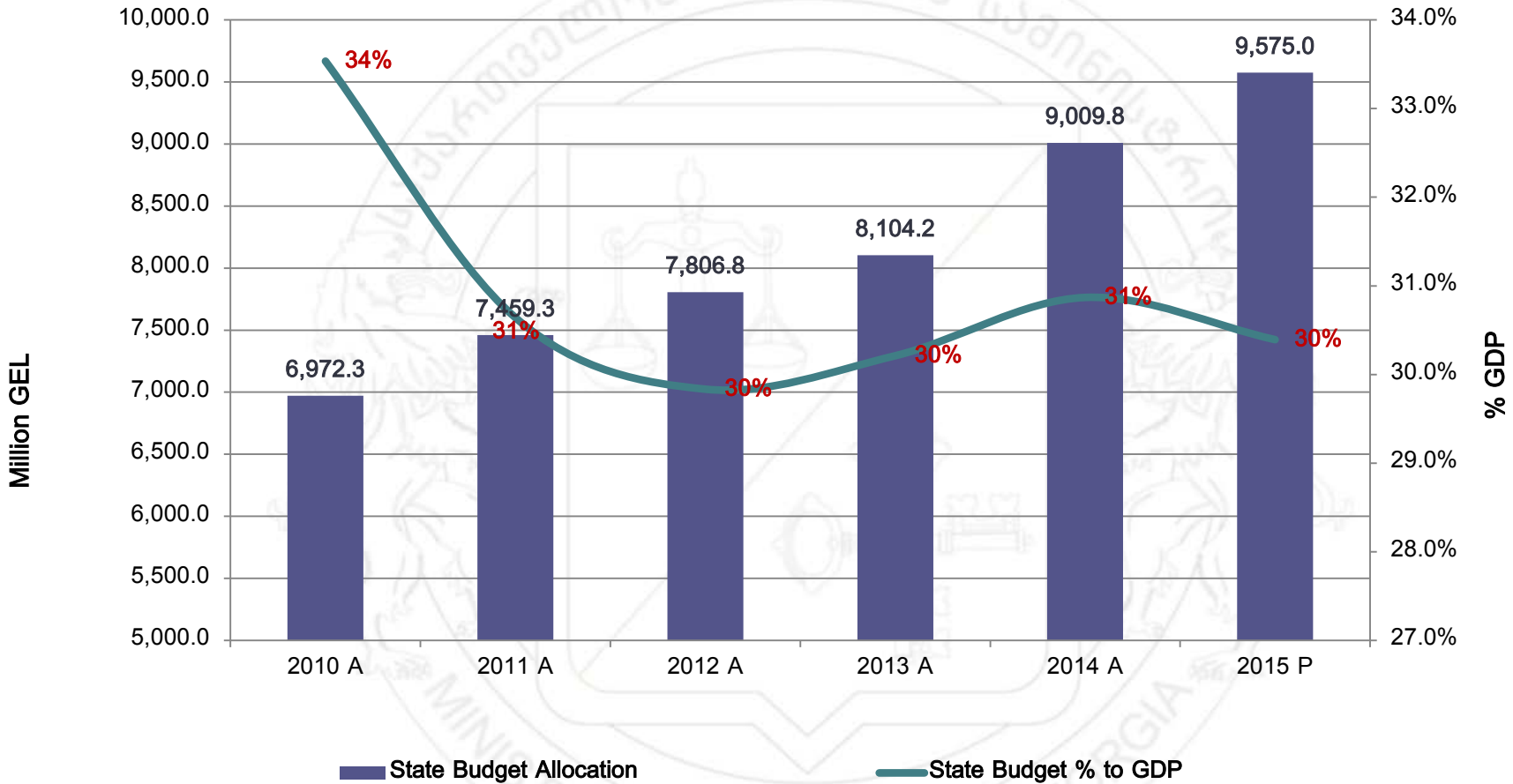
- Ministry of Finance of Georgia
- State Treasury
- Georgian Revenue Service (GRS)
- Financial Investigation Service
- Financial Analytical Service
- Service Agency
- Academy of the Ministry of Finance

# Working Fields of The System of Ministry of Finance

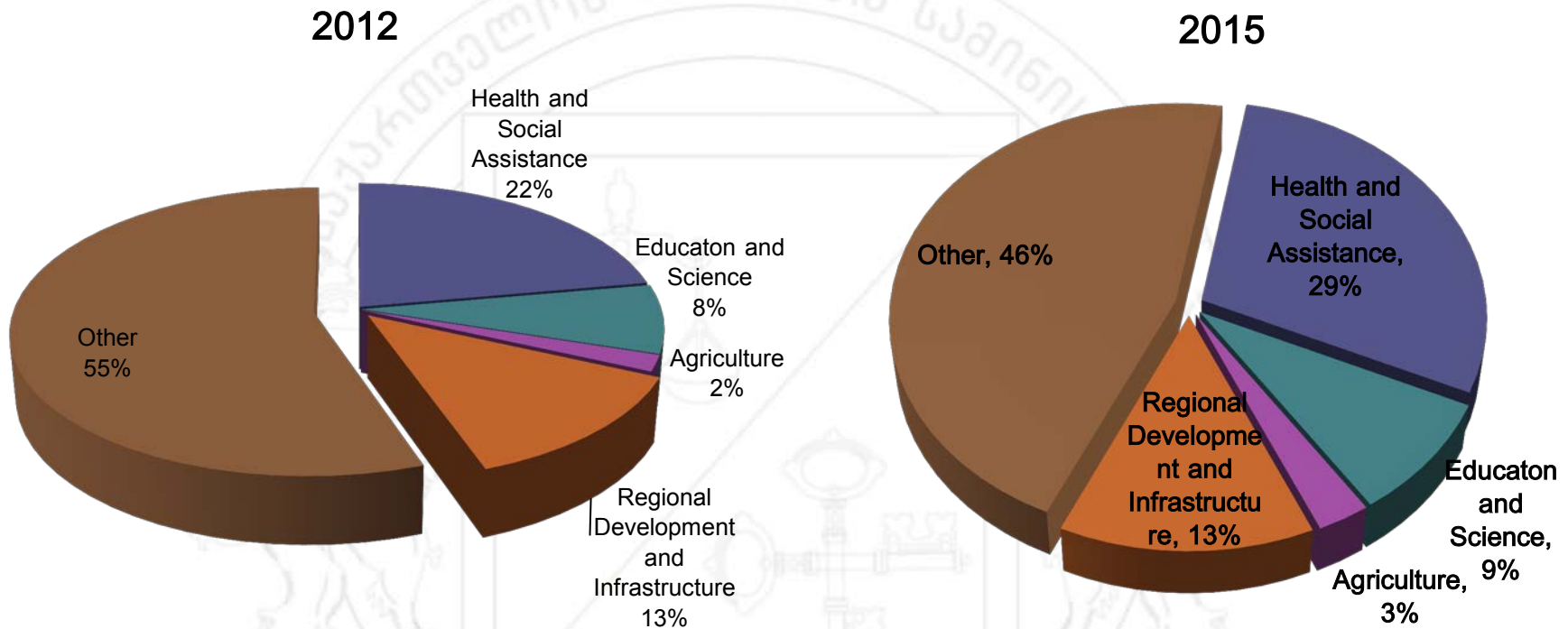


- Public Finance Management
- Taxation and Customs Policies
- Public Debt Management
- Cooperation and Coordination with IFIs
- Internal Financial Control
- Fight Against Economic Crime
- Fight Against Money Laundering
- Promotion e-Governance

# State Budget Allocation (2010-2015)



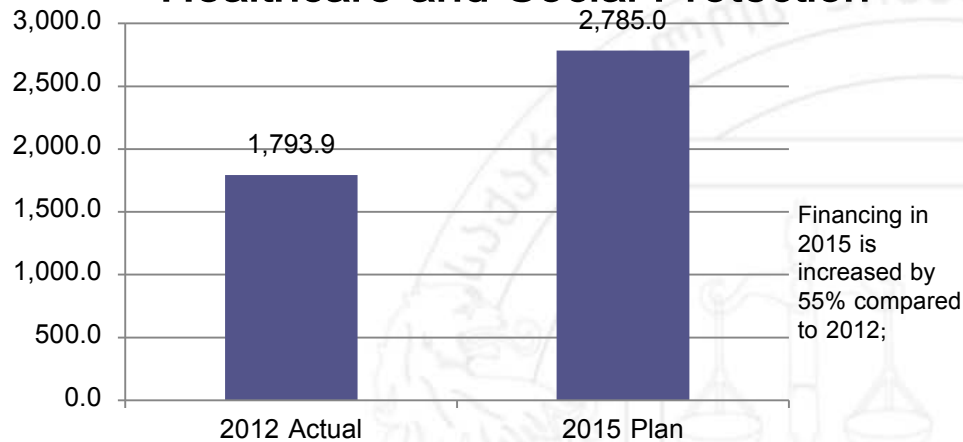
# Public Finance Management



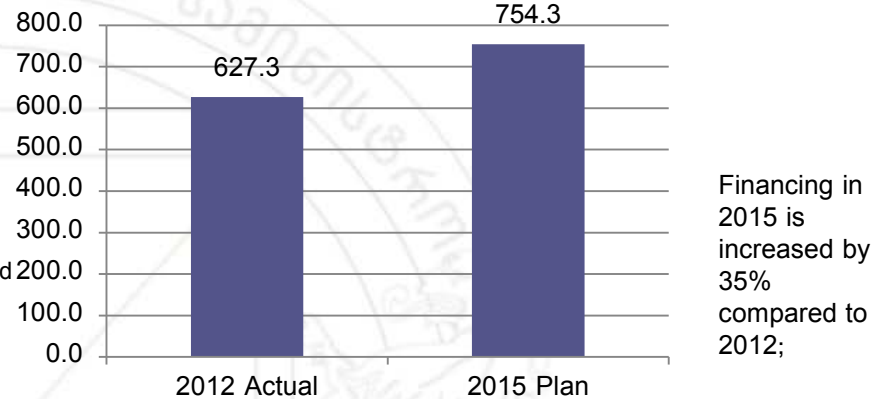
In December 2012 Budget of Ministry of Agriculture was increased by 81 million GEL

Million GEL

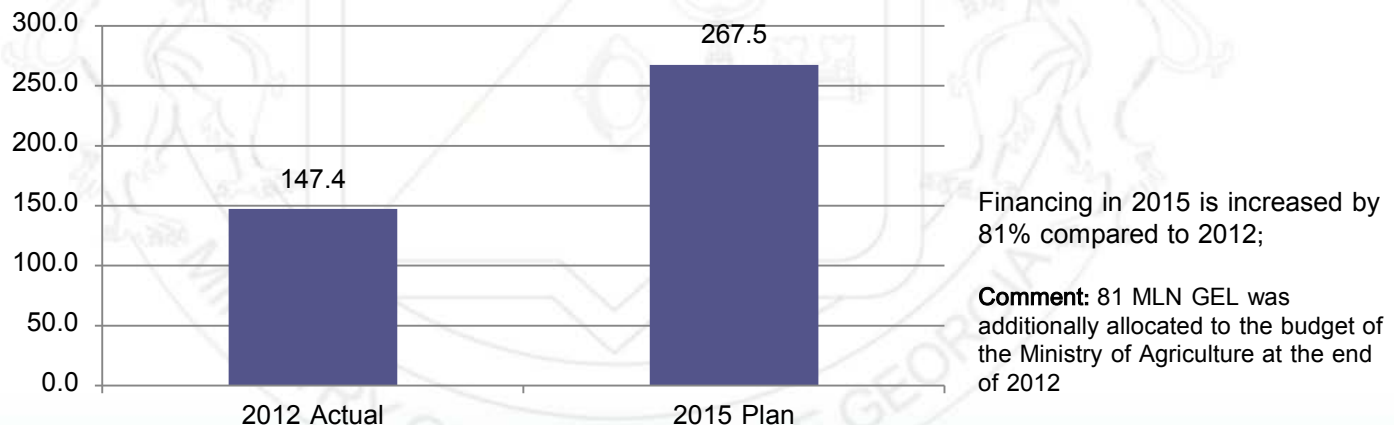
## Healthcare and Social Protection



## Education and Science



## Agriculture\*



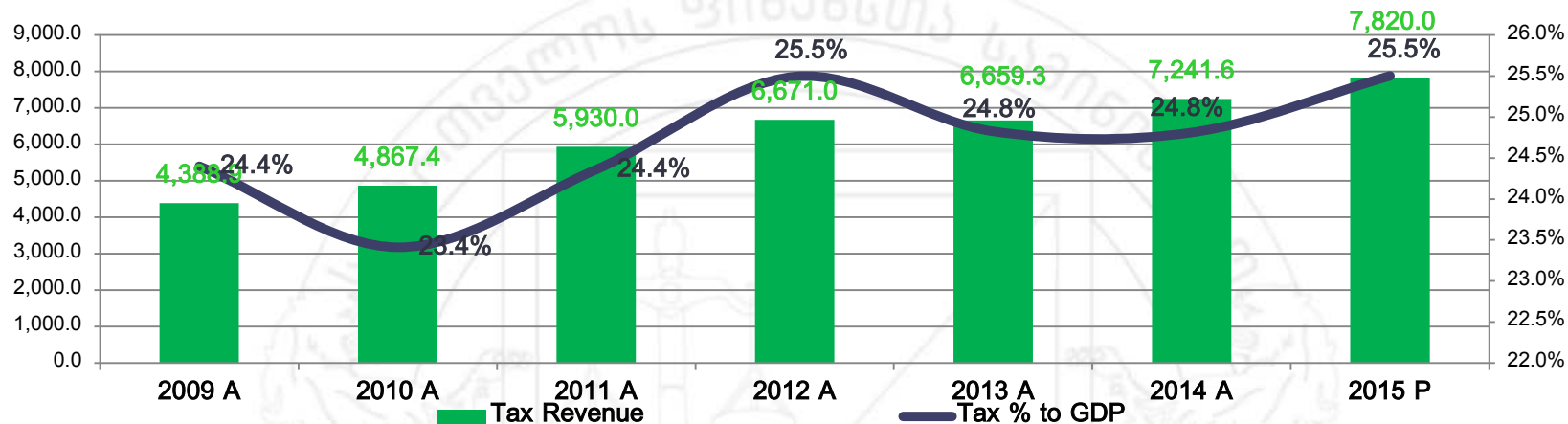
## As result of socially oriented budget:

- Pensions for all categories of beneficiaries were increased:
  - ✓ Old Age and pensions for the disabled were increased to 160 GEL (28%-45%)
  - ✓ Other Pensions - 100 GEL (increased by 80%)
  - ✓ As result of fair policy pensions for those who served in military forces before 2015 is calculated based on pension and number of years served.
- Allowances to beneficiaries under poverty line doubled;
- Benefits for IDPs was increased to up to 45 GEL (60%-100%)
- Universal Healthcare Program is launched;
- Teacher salaries have been increased (up to 50% increase) and more that 200 MLN GEL was spent on rehabilitation of school buildings;
- All school children are granted textbooks and those who live in the areas with restricted access to schools are provided with school busses;
- Additional resources were allocated to support students in tertiary education, VET programs and science programs;
- “Enterprise Georgia” project supports SMEs;
- Increasing Financing of Agriculture results in increased area of agricultural lands used in production and improved irrigation systems;
- During 2013-2015:
  - ✓ More than 1 600.0 MLN GEL was directed to road infrastructure;
  - ✓ More than 500.0 MLN GEL was directed to regional and municipal infrastructure;
  - ✓ More than 300.0 MLN GEL was directed to water supply systems;
  - ✓ More than 330.0 MLN GEL was directed to IDP housing;

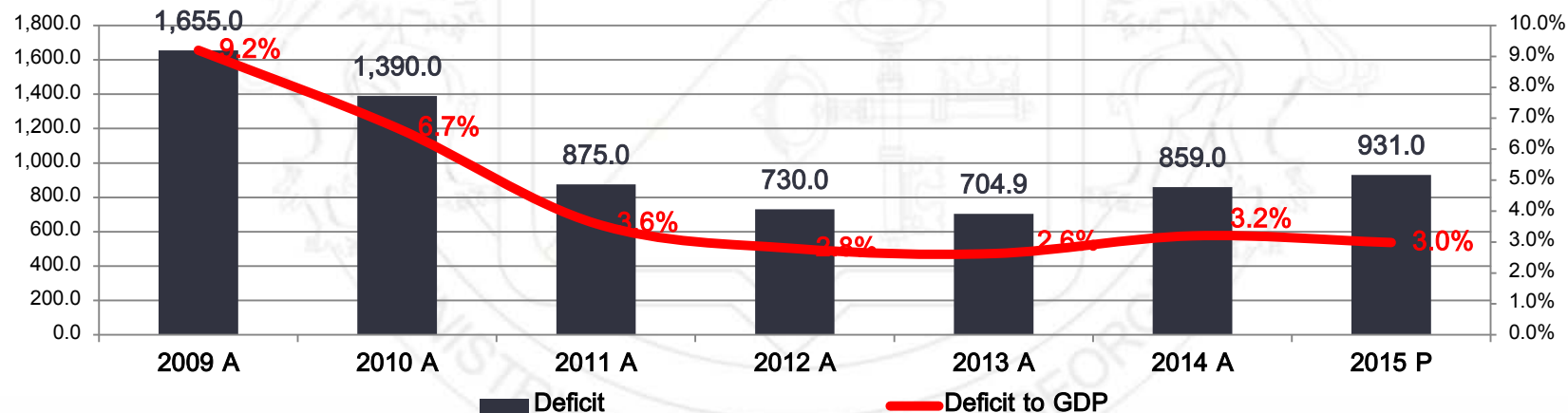
# Consolidated Budget (2010-2015)



## Tax Revenues in 2009-2015

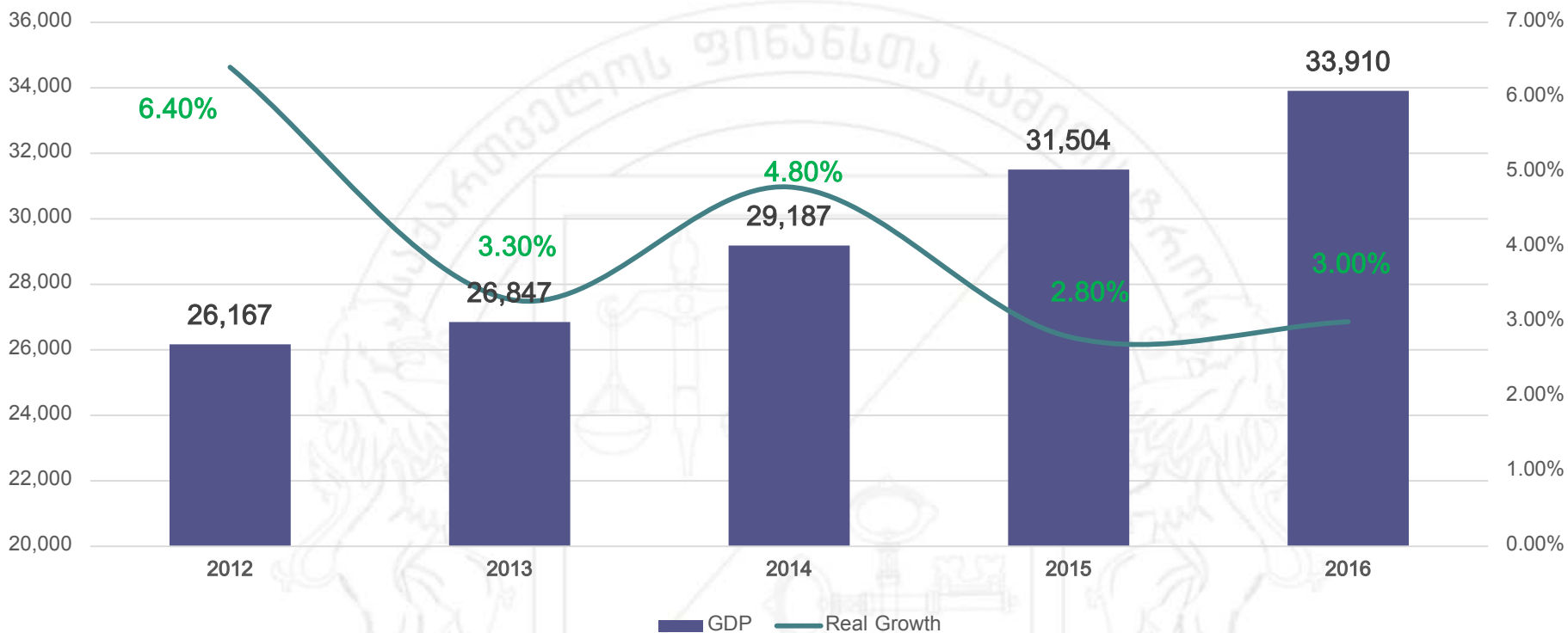


## Budget Deficit in 2009-2015





# GDP 2013-2016



❑ GDP cumulative growth in 2013-2015 - 20% (5 BLN GEL)

❑ Real economic growth in 2013-2015 - 11%.

# Macroeconomic Forecasting and Analysis

## ❑ Improved macroeconomic forecasting and analysis

- ✓ Improved forecasting methodology;
- ✓ Increased the scope of macroeconomic analysis;

## ❑ Macroeconomic scenario analysis

- ✓ Three economic development scenarios are attached to budget;
- ✓ Response actions pre-defined for the deviation from baseline;

## ❑ Monitoring tax revenue and analyzing effectiveness of the tax system

- ✓ Tax gap analysis;
- ✓ Tax expenditures analysis;

## ❑ Since 2014 implementing the system of disclosing and managing the fiscal risk

- ✓ Macroeconomic risks assessment;
- ✓ Debt related risks assessments;
- ✓ State Owned Enterprises (SOE) analysis;

## ❑ Monthly information on economic development is published on official web-site of the Ministry of Finance of Georgia

# Public Finance Management

## □ Budget and Treasury Reform

In order to improve effectiveness and efficiency of Public Finance Management local governments and LEPLs is covered by the Public Financial Management Information System since January 1, 2015. This implies the following:

- ✓ Over 3 BLN GEL (about 30% of public finances) is managed according the budget and treasury regulations. These figures evidence the magnitude and importance of the reform;
- ✓ Since January 2015 number of system users has been doubled and includes over 900 organizations (Before January 2015 only 451 budget organizations were covered under the system). These figures also evidence the magnitude and the importance of the reform;
- ✓ Over 2000 public servants (mostly in regions) are equipped with new skills in operating the system and these guarantees them a stable employment in the public sector;
- ✓ As a result, system makes full information available about each spending item from the pool of public money in real time.

## □ Program Budgeting Methodology has been updated.

- ❑ **Open Budget Survey 2015 – 16<sup>th</sup> place among 102 states, progressing by 17 steps (33<sup>rd</sup> place in the previous survey)**

As a result of the reforms implemented The International Budget Partnership Open Budget Survey 2015 showed major improvement by upgrading the score to 66 points, thus holding the place as the 16<sup>th</sup> most successful country among 102 countries. (In 2012 Georgia was holding 33<sup>rd</sup> position). Georgia was advanced to the group of “Mostly Transparent Countries”.



## Public Finance Management System / Deploying New Services

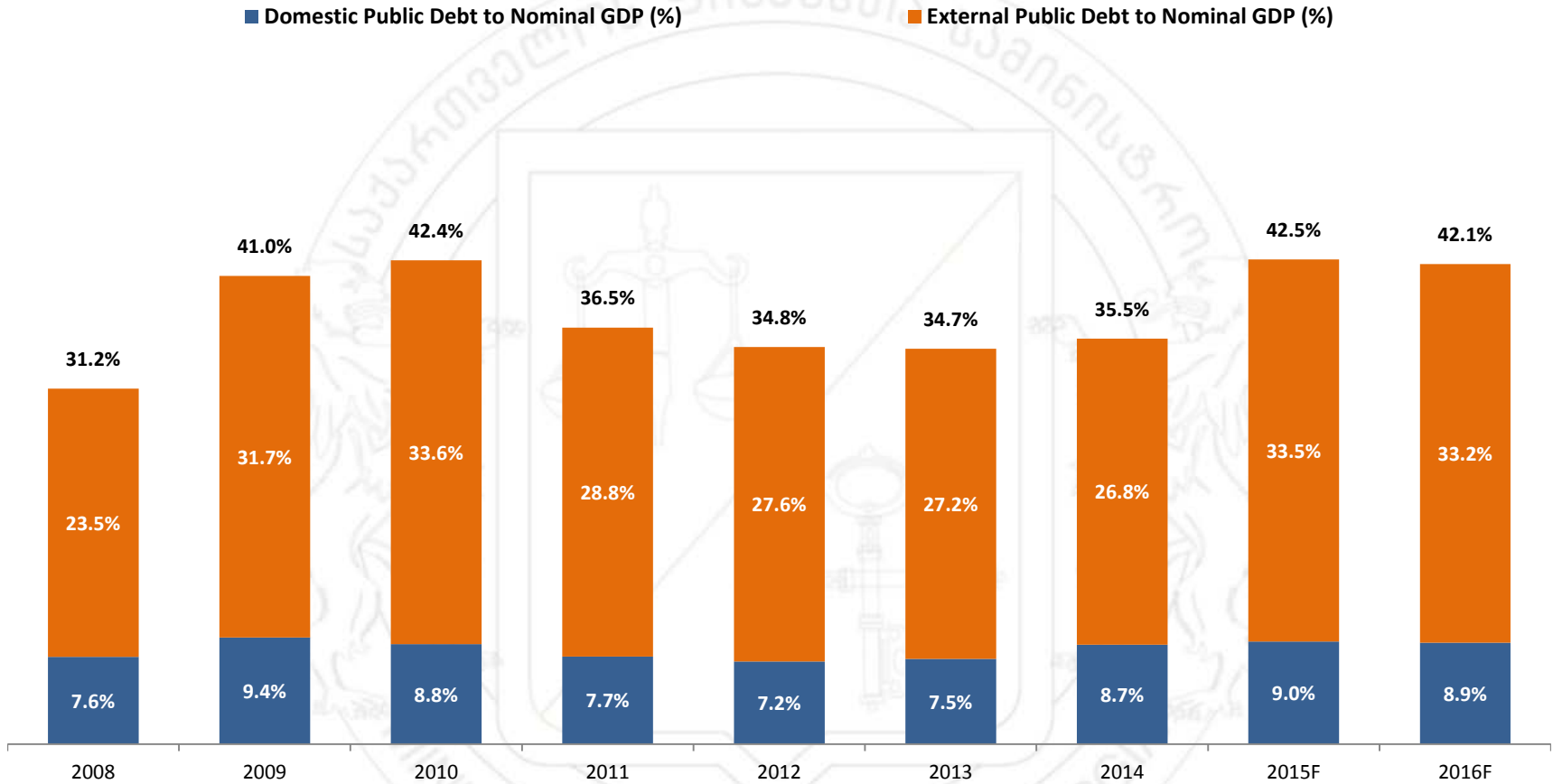
- ❑ **Public Finance Management System (PFMS)** has been developed and deployed, complete budget planning and execution process was integrated into the single cycle.
- ❑ Successfully implemented integration of autonomous republics and self-governing bodies' financial procedures and LEPLs' discrete funds management process into the PFMS. Relevant trainings and consulting conducted for approximately 800 users.
- ❑ **Enterprise content and task management system (eDocument)** has been functionally upgraded and deployed in more than 100 organizations ranging from central government to local self-governments and autonomous republics.
- ❑ **Electronic Human Resource Management System (eHRMS)** Developed and deployed in more than 70 organizations of central and local governments and self-governing bodies.

## Public Finance Management System / Deploying New Services

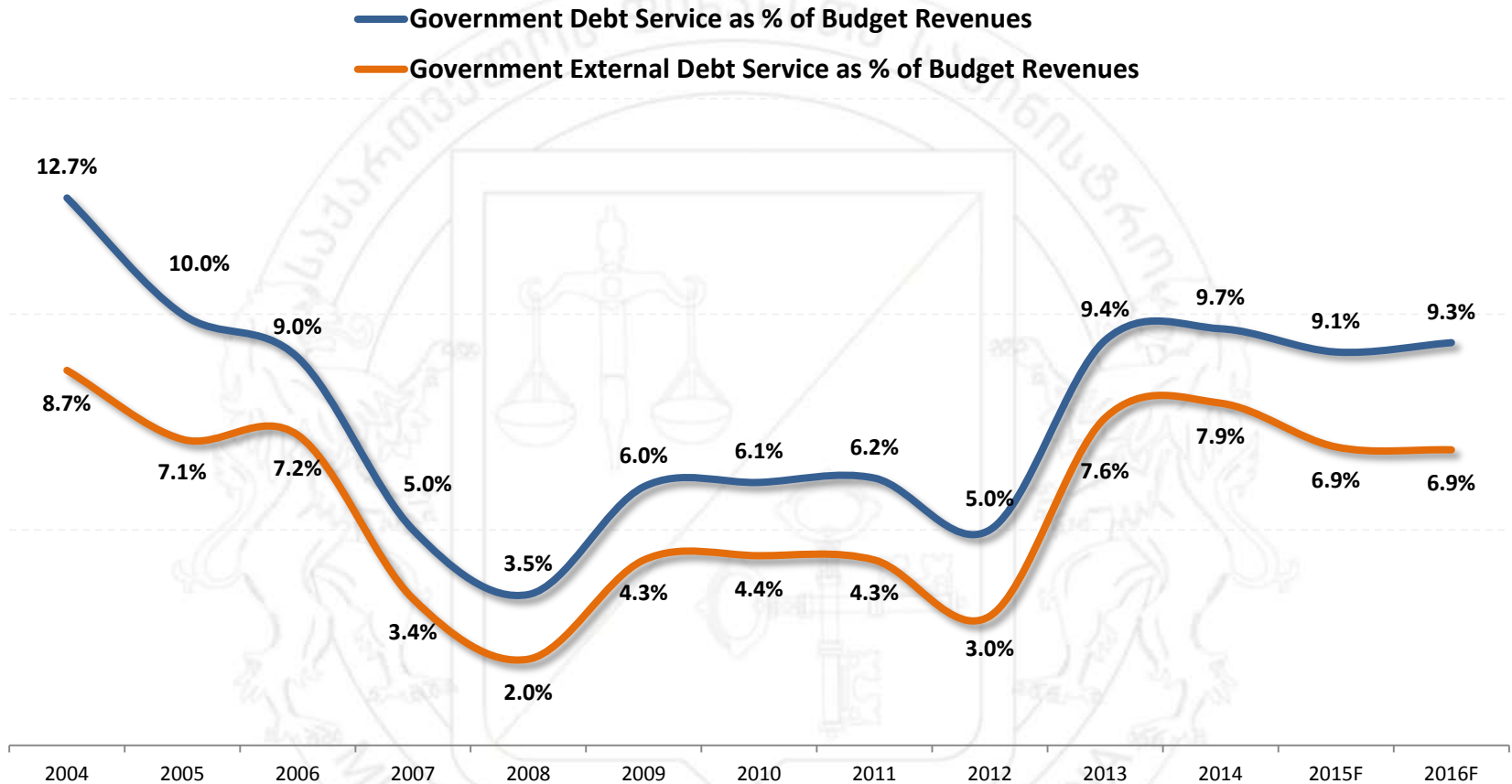
- ❑ Hybrid cloud (**eCloud**) for the government sector has been developed and became fully operational.
- ❑ **Electronic Auction (eAuction)** has been cardinally revamped and new version successfully deployed.
- ❑ Developed, deployed and operational support provided for the following electronic systems and portals: **EIMS – Environmental Information Management System, eAIMS – International Assistance Management System, eVMS – Corporate Visitor Management System**, etc.
- ❑ Developed and operationally supported web sites of more than 20 government organizations.
- ❑ FAS medium term strategic plan and key activity directions designed for 2016-2019 period.

# Public Debt Dynamics as % of Nominal GDP

■ Domestic Public Debt to Nominal GDP (%)    ■ External Public Debt to Nominal GDP (%)

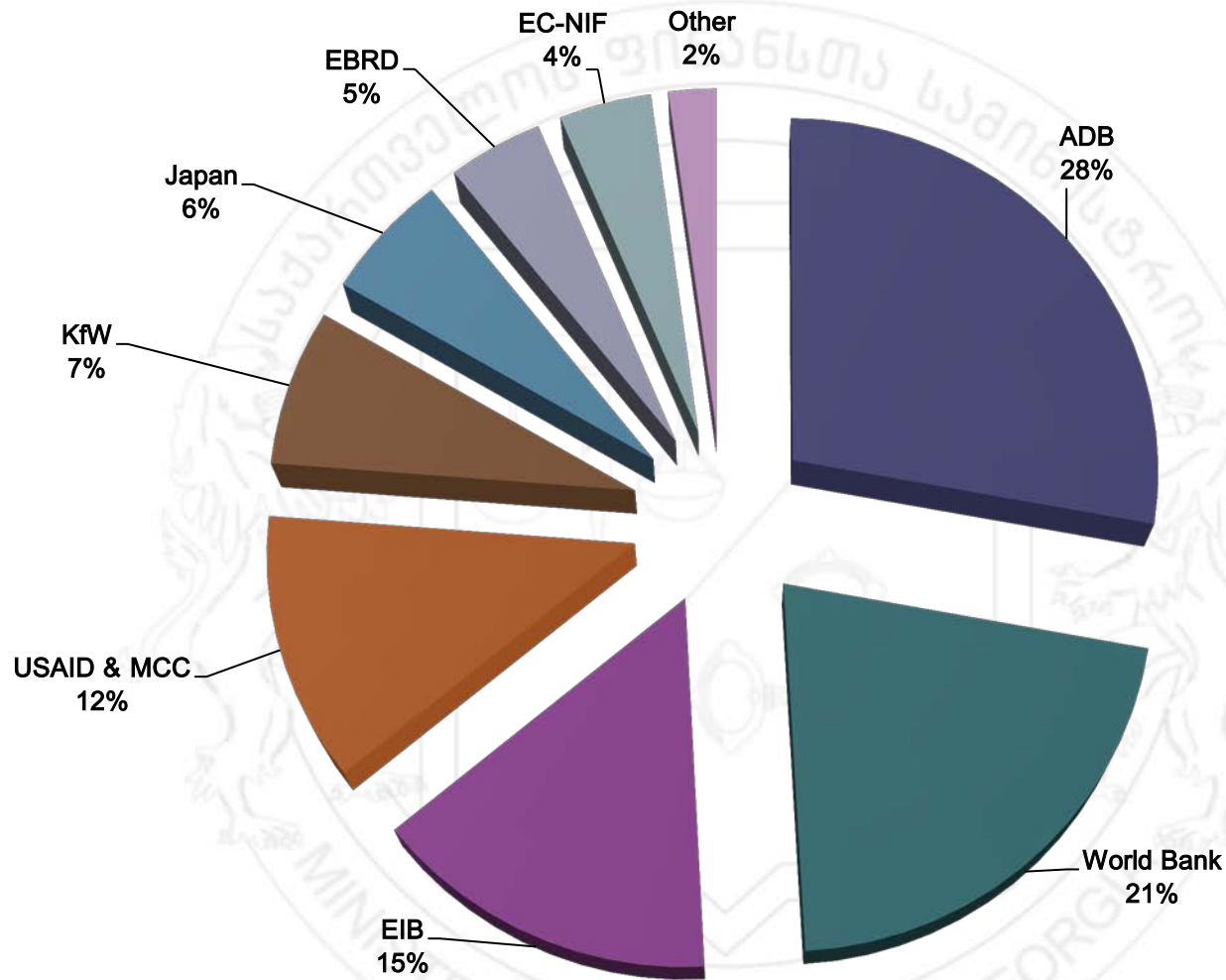


# Georgia's Public Debt Service (Principal + Interest)

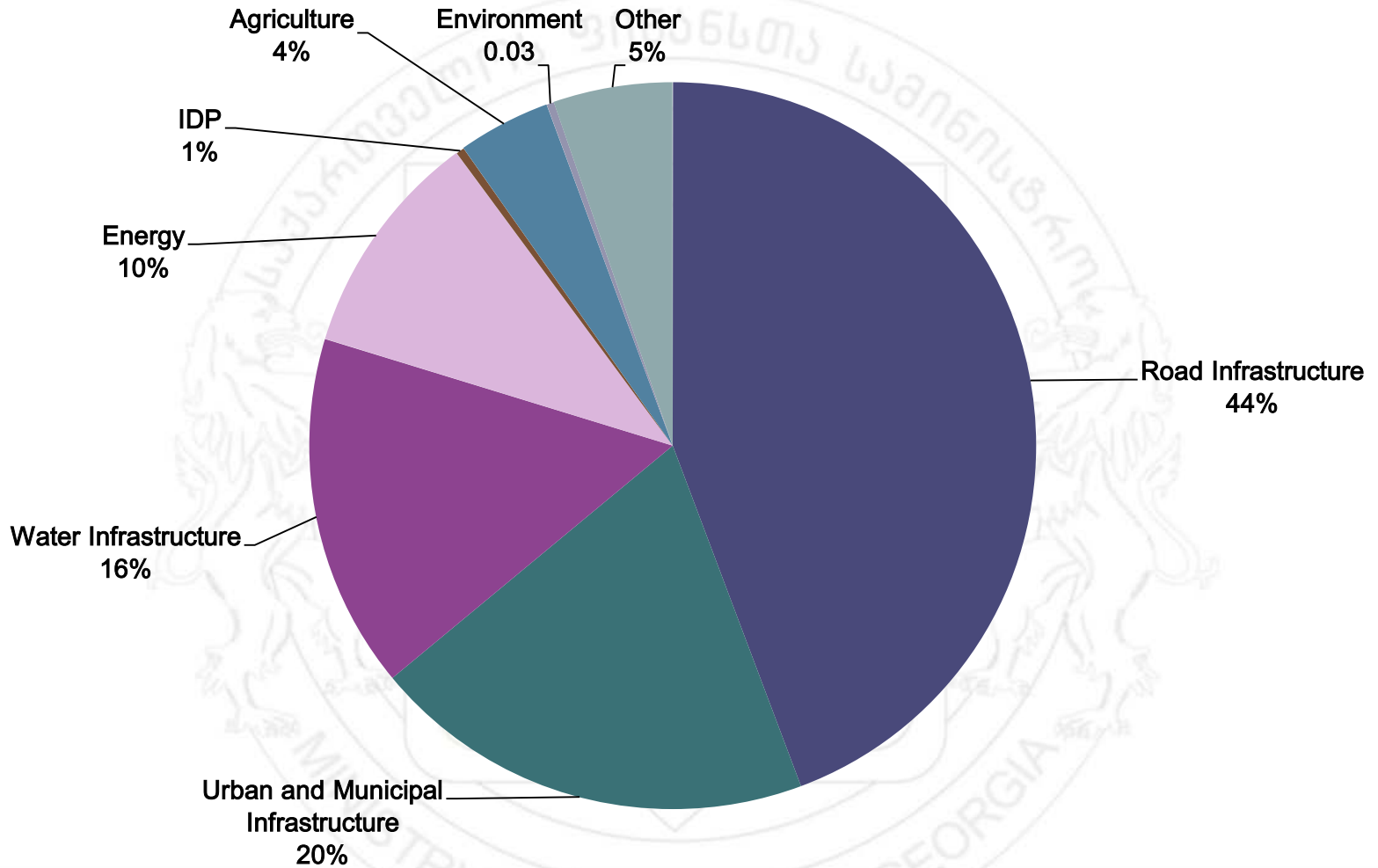




# Ongoing Financing from the Development Partners



# Ongoing Investment Projects by Sector



## Cooperation with the International Organizations



- ❑ World Bank and International Monetary Fund Constituency Meeting;
- ❑ International Monetary Fund (IMF) new Programme;
- ❑ Public Debt Management Regional Forum (ADB);
- ❑ Agreement with Government of France between AFD and PROPARCO;
- ❑ Framework Agreement with Nordic Environment Finance Corporation (NEFCO);
- ❑ Eastern Europe Energy Efficiency and Environment Partnership (E5P);

## Cooperation with the International Organizations

- ❑ Annual Meeting of the European Bank for Reconstruction and Development (EBRD);
- ❑ Annual Meeting of the Black Sea Trade and Development Bank (BSTDB);
- ❑ Asian Infrastructure Investment Bank (AIIB) Membership;
- ❑ Establishment of the European Investment Bank (EIB) Representative Office;
- ❑ Cooperation with the International rating Companies/Agencies;
- ❑ GEL denominated bonds (EBRD, IFC, ADB - issued, BSTDB - planed).

## Establishment of Stable and Business Friendly Tax Environment

- ❑ Tax enforcement measures are initiated by Georgia's Revenue Service (GRS) only after tax disputes are resolved;
- ❑ Statute of limitation will be diminished from 6 years to 3 years step by step. From January 1, 2015 till January 1, 2016 statute of limitation will be 5 years, from January 1, 2016 till January 1, 2017 – 4 years, and starting from January 1, 2017 it will be 3 years;
- ❑ Minister of Finance is entitled to issue Advance Rulings on the interpretation of the Tax Code which are legally binding for the GRS. If a taxpayer acts in accordance with such Advance Rulings s/he will not be imposed any additional sanctions.

## Tax Benefits for Agriculture and Healthcare Institutions

- ❑ Healthcare facilities or entities engaged in agricultural production will be exempted from profit tax if the portion of profit received from agricultural and healthcare services are reinvested back into the business within 3 years from the taxable year. Prior to this amendment taxpayers could enjoy the tax benefit only for a period of 1 year;
- ❑ Prime supply of manufacturing and processing thereof (change of the commodity code) of agricultural products, which was exempt from VAT without credit, is now exempt from VAT with credit for input tax;
- ❑ Agricultural cooperatives were awarded corporate profit tax and property tax benefits.

## Socially Oriented Tax Benefits

- ❑ Taxable income of up to 6,000 GEL received during the calendar year by a person with disability since childhood, as well as persons with apparent or strongly apparent disability is exempt from personal income tax from January 1, 2014. Prior to these amendments the threshold was set at 3,000 GEL;
- ❑ Income tax exemption will apply to individuals, whose medical treatment is funded through charity;
- ❑ Residents of mountainous regions will benefit from income and property tax exemptions.

## Supporting establishment of securities market and debt financing of businesses

- Profit gained from the sale of securities issued by an international financial institution or profit on interest derived from those securities will be exempted from income tax;
- Enforcement of the thin capitalization legislation was postponed till January 1, 2016.



## Promoting Startups and Supporting Existing Companies

- ❑ Income tax rate on the rental of residential property by individuals was reduced from 20% to 5%;
- ❑ Income tax rate on gains received by individual from the sale of residential property and land plots fixed to them, as well as income tax rate on gains from the sale of private vehicles was reduced from 20% to 5%;
- ❑ Withholding tax rate on royalties paid to nonresidents was reduced from 10% to 5%;
- ❑ Overpaid taxes/sanctions are refunded within no later than one month upon taxpayer's claim;
- ❑ Procedures of temporary admission and reverse charge rules were simplified for VAT payers.

## Promoting Startups and Supporting Existing Companies

- ❑ VAT exemption was introduced for processing, assembly, manufacturing, repairing and restoring of goods imported under internal customs processing regime;
- ❑ VAT exemption with entitlement to credit was introduced for supply of immovable property and connected construction and assembly services in a period of 2015-2018 years if construction permit was issued prior to 08.08.2008 and property was transferred into exploitation before 01.01.2018;
- ❑ Procedures for fulfillment of tax obligation by tourist enterprises were simplified;
- ❑ VAT exemption was introduced for supply of paper used for publishing;
- ❑ Excise tax rate for mobile communication was reduced from 10% to 8%.

## Supporting Taxpayers by Deterred Liabilities

- ❑ Extension of deadline of tax payment is possible by one year without submission of a guarantee, if tax liability is under 5,000 GEL;
- ❑ Certain tax arrears and fines are written off:
  - ✓ Unpaid arrears originating prior to January 1, 2005 if taxpayer ceased an economic activity since then;
  - ✓ Interest and penalties on tax liabilities originating prior to January 1, 2009 with a condition of paying the principal amount of taxes due, if a taxpayer ceased economic activity since then;
  - ✓ Unpaid penalties for a failure of using cash registers originating prior to January 1, 2013.

## Reduction of Number and Amount of Tax Penalties and Interest

- ❑ Penalty interest decreased from 0.07 percent to 0.05% of the unpaid tax amount for each overdue day;
- ❑ Penalty for undertaking activity without being registered as a VAT taxpayer was reduced from 15% to 5% of the amount of VAT taxable transactions;
- ❑ Penalty on shortage of the inventory items discovered (including through stocktaking) was reduced from 50% to 10% of market value of such goods;
- ❑ Penalty on discovery of goods that are not recorded in the accounting documents of a taxpayer was reduced from 100% to 50% of the market value of such goods;
- ❑ Sanctions for not using cash machines and for not keeping proper documents/waybill for goods;
- ❑ Vehicles imported to Georgia before May 1, 2015 and registered before September 1, 2015, are exempt from existing sanctions.

## Other Ongoing Tax Reforms and Initiatives

- ❑ Harmonization of Georgian legislation with the best International practices;
- ❑ Harmonization of tax legislation with EU Directives in the scope of the Association Agreement;
- ❑ Approximation of Georgian legislation within the scope of Georgia – EU DCFTA Agreement;
- ❑ Approximation of customs procedures as well as provisions on indirect taxes with EU tax legislation.

## International Taxation

- ❑ In 2013-2015 Double Taxation Treaties concluded with following nations: Serbia, San Marino, Kuwait, Slovenia, Croatia, Sweden and Portugal. Also, Protocol amending Agreement between Georgia and Austria, as well as Agreement between Georgia and Germany entered into force;
- ❑ In 2013-2015 Double Taxation Treaties were concluded with Cyprus, Iceland and Liechtenstein, while DTT with Belarus was ratified by the Parliament of Georgia;
- ❑ Negotiations were held and texts of the agreements were initialed with South Korea, Moldova and Saudi Arabia, while text of the agreement was renegotiated with Poland;
- ❑ Currently Georgia has 49 standing Double Taxation Treaties.

## Global Forum on Transparency on Exchange of Information in Tax Matters

- ❑ In 2013-2014 experts from OECD Global Forum on Transparency on Exchange of Information in Tax Matters have assessed legal and regulatory framework of Georgia against global standards on transparency and exchange of information for tax purposes. On June 30, 2014 Phase One Report was approved by the Global Forum Peer Review Group, according to which Georgia's legal and regulatory framework has been recognized in line with the Global Forum international standards on transparency and exchange of information for tax purposes.

# Amendments prepared by the Ministry of Finance of Georgia According to the Visa Liberalization Action Plan regarding the AML/FT component



- ❑ **The control system for illegal cross-border movement of cash and/or securities was strengthened:**
  - ✓ **With the amendment to the Tax Code:**
    - The amount of the fine for the transportation of physical currency and securities worth 30 000 to 50 000 GEL in case of underreporting or bypassing the customs control equals 3000 GEL , or results in seizure of the cash and/or securities.
    - The fine equals 5 000 GEL in case of 50 000 to 100 000; or results in seizure of the cash and/or securities.
    - When the amount accedes 100 000GEL the fine equals 10% of the total value of the cash and/or securities. Seizure of the cash and/or securities still remains as an alternative to the fine.
  - ✓ **Amendment to the Georgian Law on Prevention of Illicit Income Legalization and Terrorist Financing:**
    - The scope of the declaration system broadened to cash sent/received, by both natural and legal persons, and it also covers transportation of cash by post (mail), or freight (cargo).
  - ✓ **As the result of the amendment to the Order №290 of the Minister of Finance of Georgia dated 26 July 2012 on the “Approval of the Instruction on Movement and Customs Clearance of Goods within the Customs Territory of Georgia”:**
    - Two new data elements will be collected as a consequence of filing a declaration: the provenance and intended use of the cash.



# Implementation the EU Association Agreement by GRS



## □ Approximation of customs procedures with relevant EU procedures:

- ✓ With the technical assistance of GIZ, draft of the document was elaborated in accordance with EU Customs Code.
- ✓ The working group and commission were created on “Common Transit Convention (CTC)” and on “Simplification of Formalities in Trade in Goods (SAD)”.
- ✓ With assistance of USAID G4G Project, action plan for implementation of AEO program was developed
- ✓ In order of the strengthening of Customs Risk Management System, with support of US technical assistance program and IFC, Customs risk management strategy and operational guidelines are being developed

# Implementation the EU Association Agreement by GRS



- ❑ Ensuring proper application of Rules of Origin under Association Agreement :
  - ✓ The right to issue the certificate of origin EUR.1 was exclusively delegated to Georgia Revenue Service
  - ✓ The working group was created on Approved Exporter (working group must provide within one month the project of relevant rules)
  - ✓ Seminars and workshops on rules of origin have been carried out and are planned for future:
    - Regional Seminar on “Certification of preferential origin” and “Verification of EUR 1 certificate”, December 3-4, 2014
    - Training on rules of origin with the support of International Organization for Migration, January 26-30, 2015
    - Workshop on rules of origin with participation of TAXUD, March 17, 2015
    - Experience sharing with Lithuanian customs on rules of origin, October 26-30, 2015
    - Seminar on HS codes with participation of experts from WCO, February 2016

# Implementation the EU Association Agreement by GRS



## ❑ Intellectual Property Rights

- ✓ Work Group established on the protection of intellectual property rights
- ✓ Aim of the work group is to identify differences between existing IP legislations and approximate Georgian law to corresponding EU regulations
  - **First stage:** Addition of customs procedures in the law of Georgia on border measures related to intellectual property rights, under which intellectual property will be protected at the Georgian border
  - **Second stage:** Harmonization of timeframes of information processing and IP registration, guarantee provision, addition of IP rights protected at the border
  - **Third stage:** Implementation of Ex-Officio Principle in Legislation

# Implementation the EU Association Agreement by GRS



## ❑ Sanitary and Phytosanitary Measures at the Border

- ✓ Simplification of procedures for the control of phyto-sanitary and veterinary transit goods (risk management based procedures)
- ✓ New list of goods subject to phyto-sanitary and veterinary control was developed
- ✓ Reduced permit lists for goods subject to phyto-sanitary and veterinary control
- ✓ Electronic acts of phyto-sanitary and veterinary control (CVED) was developed
- ✓ Georgia Revenue Service joined second phase of Comprehensive Institutional Building (CIB) program, that includes full equipment of 2 Border Inspection Posts –Kartsakhi and Poti
- ✓ New facilities built for phyto-sanitary and veterinary control at Poti and Kulevi ports and Poti free industrial zone (except live animals)
- ✓ Phyto-sanitary and veterinary inspectors of Georgia Revenue Service participated in various training courses and seminars on SPS issues



## Trade Facilitation Agreement (TFA)

- ❑ In order to submit for ratification the Trade Facilitation Agreement and classify the first section of the agreement in A, B and C categories:
  - ✓ Work Group was created.
  - ✓ Articles of Section 1 were classified into A, B and C categories
  - ✓ Internal governmental procedures have been conducted for preparation of discussion process in the parliament of Georgia

## Fulfillment of obligations under the Association Agreement



- ❑ “Twinning” project on “Strengthening the administrative capacity of GRS in tax field” has been implemented, in the framework of which:
  - ✓ The comparative analysis of the EU VAT and Excise legislation with respect to the Georgian legislation has been carried out;
  - ✓ Draft law on determination of the place of supply of services for VAT purposes, as well as on excise exemption related to travelers allowances has been elaborated;
- ❑ With the support of USAID the action plan for the implementation of VAT directive has been drafted;

# Transparency and Exchange of Information



- ❑ For tax purposes the system of automatic exchange of information has been implemented. Several memorandums have been signed and negotiations are in progress with other partner countries for this purpose;
- ❑ Georgia has successfully passed the first phase review of OECD's global forum "On transparency and exchange of information" and the current legislation has been considered to be in compliance with international standards;
- ❑ Based on the guide of OECD the manual on the exchange of tax information has been elaborated and approved;
- ❑ With the support of International Monetary Fund (IMF) the strategy of voluntary compliance has been drafted and the action plan for its implementation has been developed;



## Novelties Introduced by GRS

- ❑ According to the reports and recommendations of international organizations and experts (IMF, FAD), alternative audit program has been officially closed by the Order N31 (28.01.2015) of the Minister of Finance;
- ❑ New template of an audit protocol has been designed and is currently piloted. The final implementation of new protocol will simplify the audit procedures, communication with taxpayers; quality control procedures; mediation procedures; modifying the amounts imposed by the act;
- ❑ Increasing the auditor's qualification by building the training capacity;
- ❑ By decentralizing audit activities, the tax audit and observing procedures have been improved. 3 regional divisions are already involved in tax audits. By October 2015 it is planned to open the regional division of "Kvemo Kartli" region;
- ❑ In order to increase the tax compliance and positive engagement, Public Outreach Days have been systematically organized since July, 2015. As a result of this, number of audits/tax disputes will decrease thus promoting a better performance of the tax system.





## Novelties Introduced by GRS

- ❑ IT center has designed an application for Smartphone. Application simplifies the relationship between the taxpayers and GRS. Taxpayers can carry out tax and customs related procedures, receive necessary information and fulfil their obligation in a timely manner via cell phones;
- ❑ Alternative webpage of GRS has been created specially for people with vision problems, where they can get familiar with the information contained on the website. Webpage is fully adapted to their abilities and the use of pictures and animation as much as possible is avoided. It is easily manageable by mouse as well as by tabulation. Information on the webpage is grouped according to the sentences, where the beginning of a new idea is particularly easily perceptible.



## Novelties Introduced by GRS

- ❑ Common e-system of permissions and licenses has been created and became operational.
- ❑ LEPL - Revenue Service and the National Food Agency have introduced the electronic system for regular exchange of information on the veterinary and phyto-sanitary import / transit permits registration
- ❑ From April 2014 in Orkhevi district based on the renovated study center facilities the Customs Canine center has been established.
- ❑ Short Message Service for taxpayer's has been Introduced informing the status of customs declaration (information on status of C number, risk corridor and A number)
- ❑ Short Message Service for taxpayer's has been Introduced informing the registration of transit document (T1)
- ❑ New options for clearance have been introduced:
  - ✓ **Getting queue number in Customs Clearance Zone via rs.ge;**
  - ✓ **Clearance of goods without physical arrival of an economic operator at CCZ** – scanned version of accompanied documents are sent to the economic operator via official web-page of the Georgia Revenue Service, afterwards in case of approval of the economic operator, customs officer will fill-in and submit the customs declaration;
  - ✓ **Advance declaration made in paper form** – taxpayer has an opportunity to make the advance declaration at the Service Center of Service Department of Georgia Revenue Service (address: 68a, Kostava av.) without physical arrival at CCZ.



## Novelties Introduced by GRS

- ❑ The possibility of clearance from the place agreed with importer - non-control zone is now possible not only for import, but in case of export and inward processing.
- ❑ Risk profiles are systematically processed and updated. Local risk profiles for separate CCP are introduced and bilateral exchange of information with foreign countries has been intensified. Sharing best practices of foreign countries will ensure the establishment of powerful and flexible risk management system and risk based customs control.
- ❑ Introduction of clearance of goods from all GRS service centers via the video call - "from personal computer" based on uploaded documents is intended.
- ❑ From 1 October 2014 new list of military and dual use items has been introduced fully compliant with EU control lists.
- ❑ From June 2015, the owner of permission for conducting customs warehouse activities, has been granted the right to fill customs commodity declaration.
- ❑ Since May 2015, delivery of unregistered motor vehicle entered into the customs territory of Georgia, to the customs zone, has been defined for the period of 60 calendar days, instead of 45 days previously.
- ❑ LEPL Revenue Service of the Ministry of Finance and the JSC „Georgian Railway" have launched the electronic data exchange for the goods subject to customs control moving on customs territory of Georgia via railway.

## Novelties Introduced by GRS

- ❑ From 1 January 2015, customs control for genetically modified organisms (GMOs), and from July 1, 2015 - GMO food / feed customs control has been introduced.
  
- ❑ Comprehensive and effective mechanism for issuing permits, the method of compliance with permit conditions and the permit certificate for customs warehouses and for duty free were developed and established (September 14, 2015, Government Decree N471). Reporting process to the tax authority have been simplified for free-trade zone operation permit holder. In particular, accounting of goods located in free trade areas will be done via automated data processing system and sent electronically to the Revenue Service .
  
- ❑ In addition, the amendment provides the following changes:
  - ✓ The ban for issuance of a permit on warehouse activities for the person who has violated with permit conditions and accordingly the permit was annulled or was performing the duties of the head of the such warehouse. Consequently, if the person will become the compliant with the permit conditions and will pay the fine, he/she will be able to obtain new permit;
  - ✓ The obligation of keeping video records for customs warehouse permit holder is decreased form 12 to 6 months. In case of the technical problems for conducting video recording or other reasons, the tax authority shall be informed no later than the next business day.

# Taxpayer Services



- ❑ **GRS Call Centre** has been introduced (*Taxpayer has opportunity to rapidly get information on the legislative amendments and procedural activities as well as tax and customs obligations and procedures*)
  - ✓ From June, 2013 Taxpayer has opportunity to rapidly get information on the legislative amendments and procedural activities as well as tax and customs obligations and procedures. Information-call center has dealt with more than **400 000** taxpayer phone calls so far.
  - ✓ **1866** video activation procedures have been carried out. Video activation gives taxpayer an opportunity to get registered to get e-services without visiting the service center;
- ❑ Taxpayers are offered **PRIVE** service, main goal of which is to assist and support businesses by providing them high quality consultations on tax and customs related issues; 300 organizations use the offered service.
- ❑ **“Open door”** days have been organized in Kakheti, Imereti, Adjara, Kvemo Kartli, Shida Kartli and Samegrelo-Zemo Svaneti in the framework of which presentation on the recent changes in the tax code has been delivered to the taxpayers;
- ❑ GRS carries out taxpayers services through 16 service-centers and 19 representatives. During 3 years the service has been provided to 975 157 taxpayers
- ❑ **8379** taxpayer letters concerning the interpretation of law and 70 305 electronic letters have been processed;
- ❑ During 3 years, service department has made 70 961 notification acts for not displaying the registration certificate and not making it visible for the customers, as well as for operating without registration and cash register;
- ❑ Works are in progress on customs-crossing points to carry out the procedures based on the principle

## Ongoing and Implemented Infrastructure Projects

**Modern customs and tax infrastructure, which provides a fast, efficient and professional services to taxpayers, is the one of the priorities of the Ministry of Finance of Georgia**

- ❑ Customs Clearance Zone “Tbilisi 2” was opened
- ❑ Construction of BCP “Kazbegi” and truck inspection facility is finalized.
- ❑ Reconstruction of the BCP “Kartsakhi” is completed
- ❑ Installation of cargo and x-ray vehicle inspection system on the territory of customs checkpoints: “Ninotsminda”, “Lagodekhi”, “Sadakhlo” and “Vale” is ongoing .
- ❑ Construction of canine facility completed at BCP-s “Sadakhlo”, “Tsiteli khidi”, “Sarpi” and “Vale”. Also at Orkhevi training center the construction of veterinary clinic, training yard, rooms and living area were completed. As well as the dog training infrastructure and living area were built at CCZ “Adlia”. Also the finalization of construction is in the process at BCP-s “Lagodekhi”, “Kartsakhi”, “Ninotsminda”, “Kazbegi”
- ❑ Installation of stationary x-ray vehicle inspection system as at finale stage to the BCPs “Lagodekhi” and “Sadakhlo”

### Underway

- ❑ Construction of BCP “Ninotsminda”
- ❑ Reconstruction of BCP “Lagodekhi”
- ❑ Installation of x-ray vehicle inspection system at CCZ “Poti”
- ❑ Construction of warehouse of Georgia Revenue Service

## Ongoing and Implemented Infrastructure Projects

### Already installed

- ❑ **3 Sets of CX100100TI luggage scanners at BCPs:**
  - “Sarpi” - 2 Items
  - “Batumi Sea Port” – in section for passengers - 1 Item
  
- ❑ **2 Sets of CX8065TI luggage scanners at BCPs :**
  - “Mtkvari” - 1 Item
  - “Kartsakhi” - 1 Item
  
- ❑ **5 Sets of human (BODY) BI2002 scanners at BCPs :**
  - “Sarpi” - 1 Item
  - “Tbilisi Airport” - 1 Item
  - “Sadakhlo” - 1 Item
  - “Tsiteli khidi” - 1 Item
  - “Kazbegi” - 1 Item

### 4 X ray baggage scanners were purchased:

- ❑ 3 of them will be installed at BCP “Tbilisi Airport”
- ❑ 1 of them will be installed at BCP “Batumi Airport”.

# Customs Control by GRS

(As for October 12, 2015)

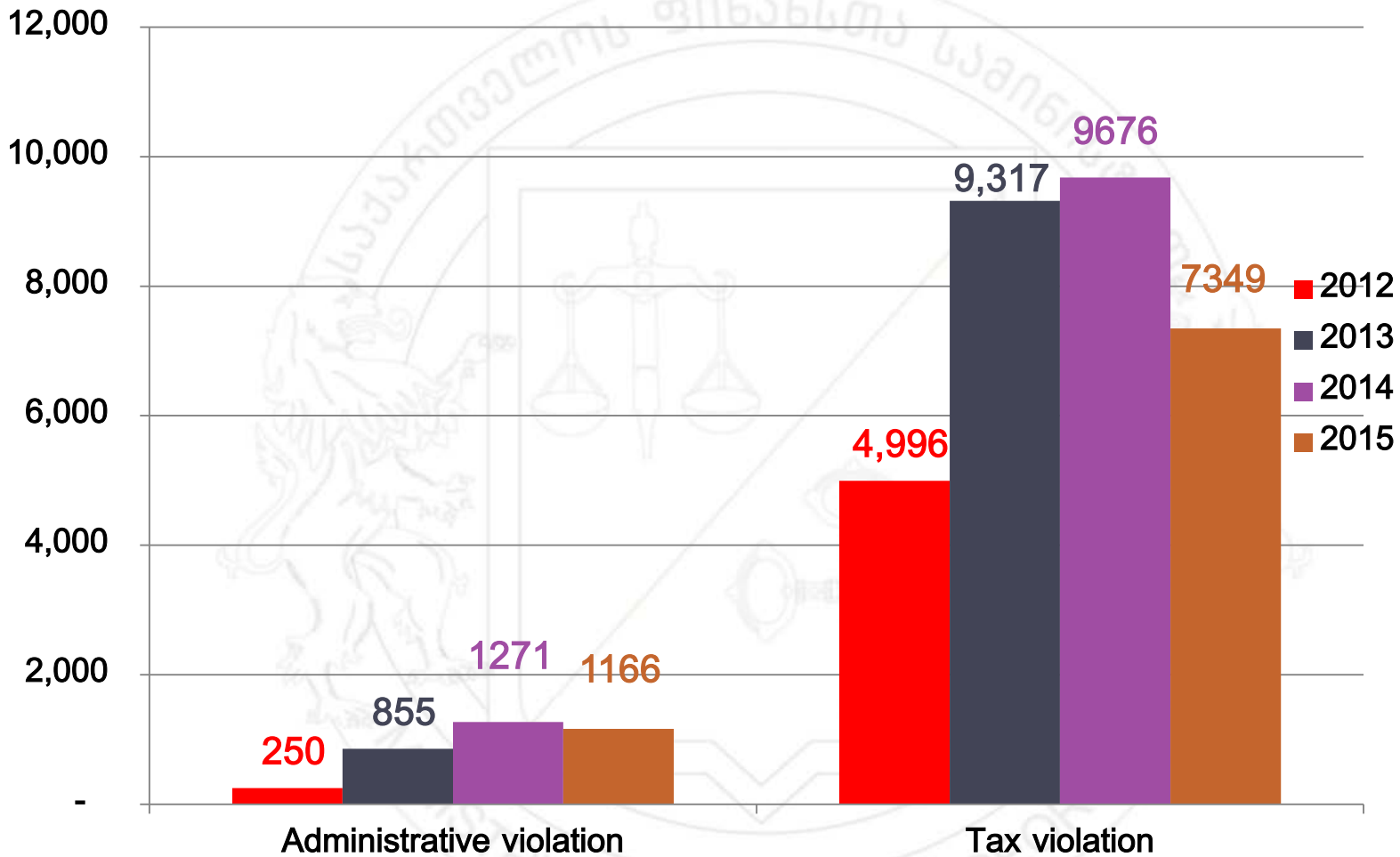


- ❑ Customs Department has carried out the control of imported **petroleum bitumen**. The red corridor and the expertize of “Levan Samkharauli” National Forensics Bureau revealed that imported petroleum bitumen was not in accordance with standards specified in certificate of quality. As a result the imported goods were returned in the exporting country:
  - ✓ In 2013, returned to the exporting country **606,590.00 kg of petroleum bitumen** with total value of **401,761.60 USD** imported by **29 transport vehicles**
  - ✓ In 2014, returned to the exporting country **116,070.00 kg of petroleum bitumen** with total value of **65,811.69 USD** imported by **5 transport vehicles**
  - ✓ Before the October 12, 2015, returned to the exporting country **255,280.00 kg of petroleum bitumen** with total value of **89,348.00 USD** imported by **10 transport vehicles**



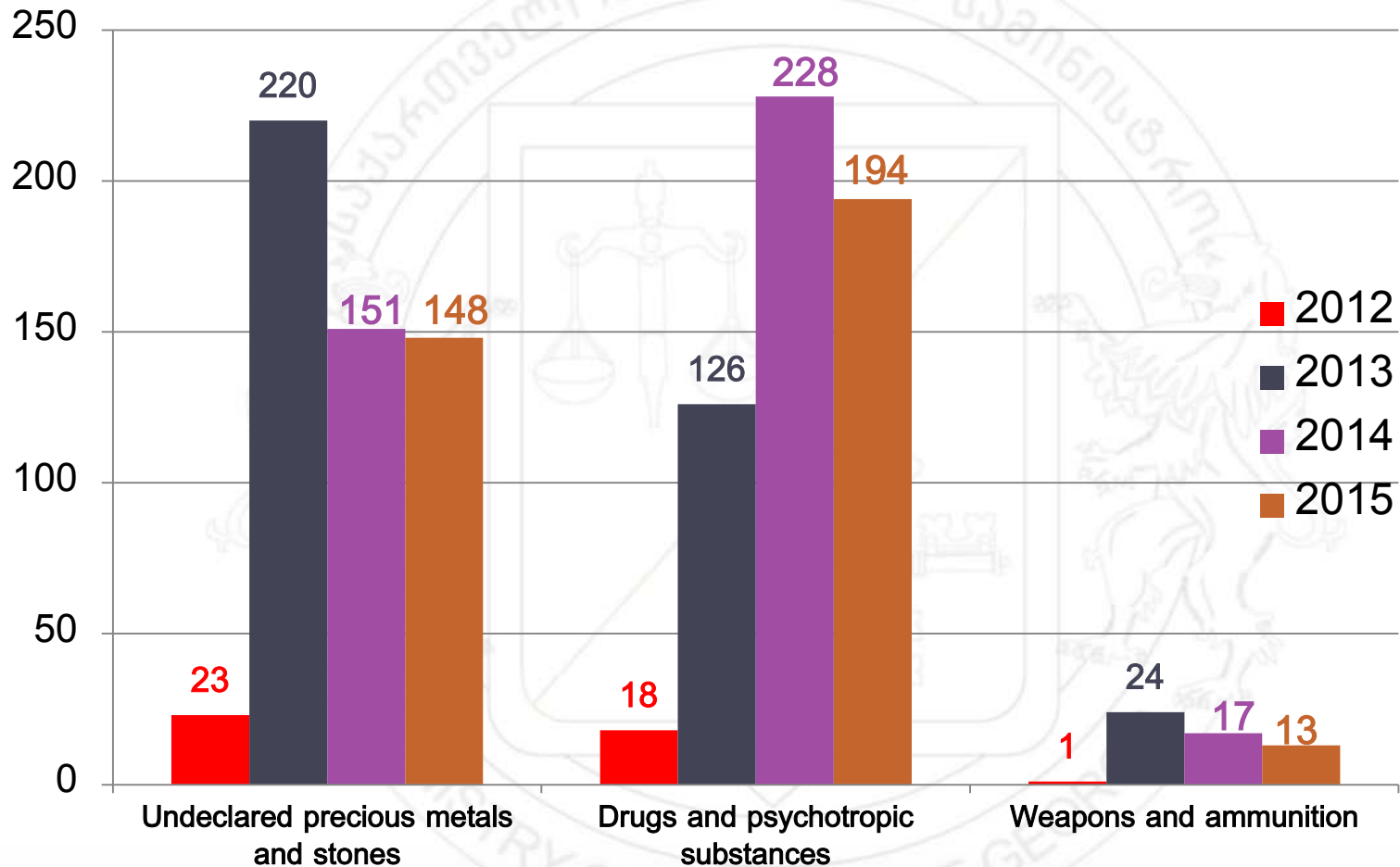
# Violations Revealed by GRS at Sovereign Borders

(As for October 10, 2015)



# Violations Revealed by GRS at Sovereign Borders

(As for October 10, 2015)



- ❑ **In 2012 , 16 Orders on Detention of Goods were issued by GRS**
  - ✓ In 13 cases goods were destroyed , in 3 cases goods were not proved to be counterfeited
- ❑ **In 2013, 50 Orders on Detention of Goods were issued by GRS**
  - ✓ In 27 cases agreement on destruction of goods was reached between the owner of goods and IP rights owner
- ❑ **In 2014, 43 Orders on Detention of Goods were issued by GRS**
  - ✓ In 24 cases agreement on destruction of goods was reached between the owner of goods and IP rights owner
- ❑ **In 2015 , till October 2nd, 65 Orders on Detention of Goods were issued by GRS**
  - ✓ In 42 cases agreement on destruction of goods was reached between the owner of goods and IP rights owner

# Phyto-sanitary, Veterinary and Sanitary & Quarantine Control at Customs *as for 10 October 2015*



- ❑ 96 different types of plant products consignment were subject to fumigation, destruction or sending back.
- ❑ 107 consignments of different types of products of animal origin have been subjected to sending back or destroyed, while in the same period in 2012 only 3 cases have been recorded.

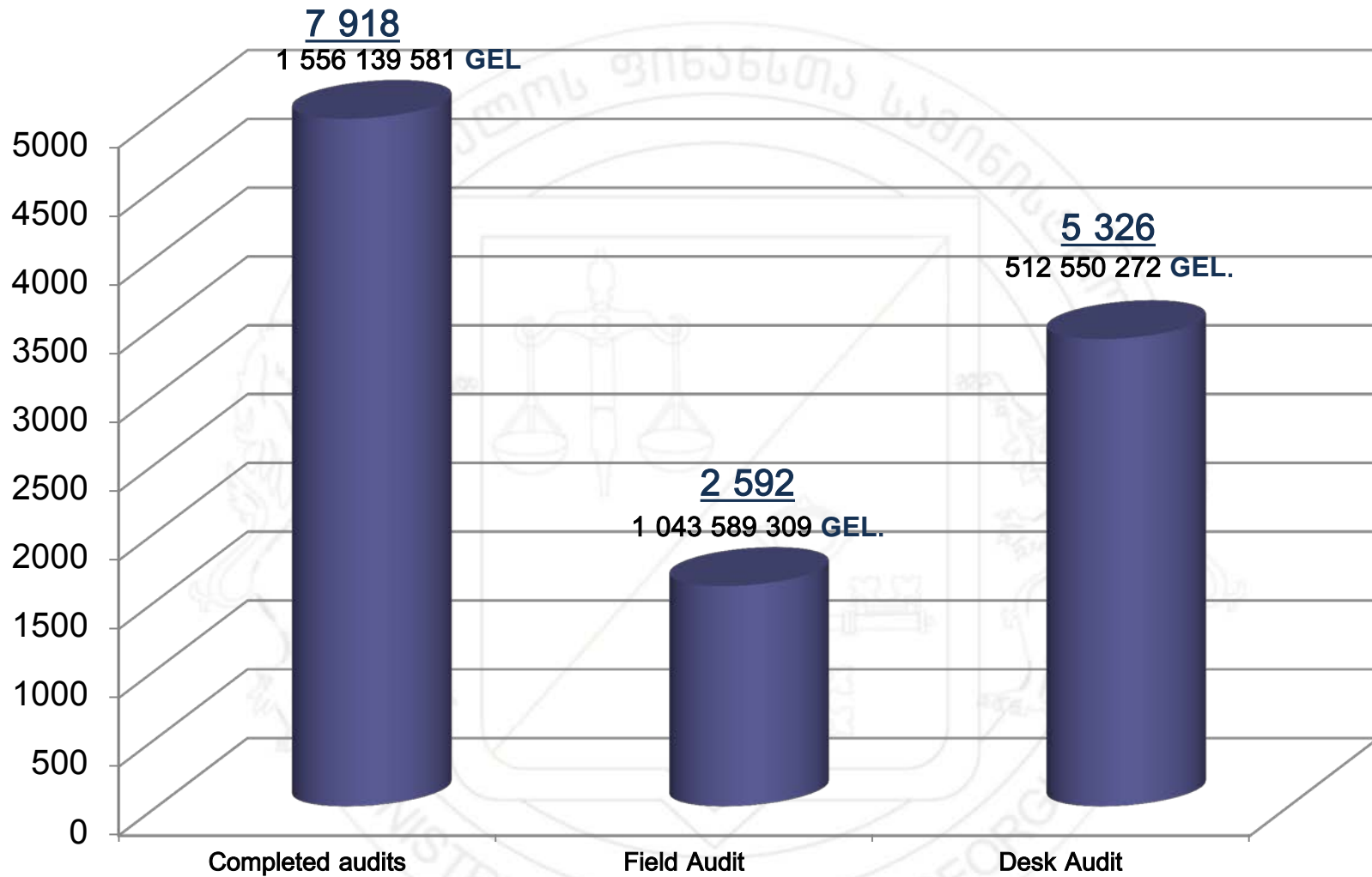


## ❑ Division for sanitary and phyto-sanitary control issued:

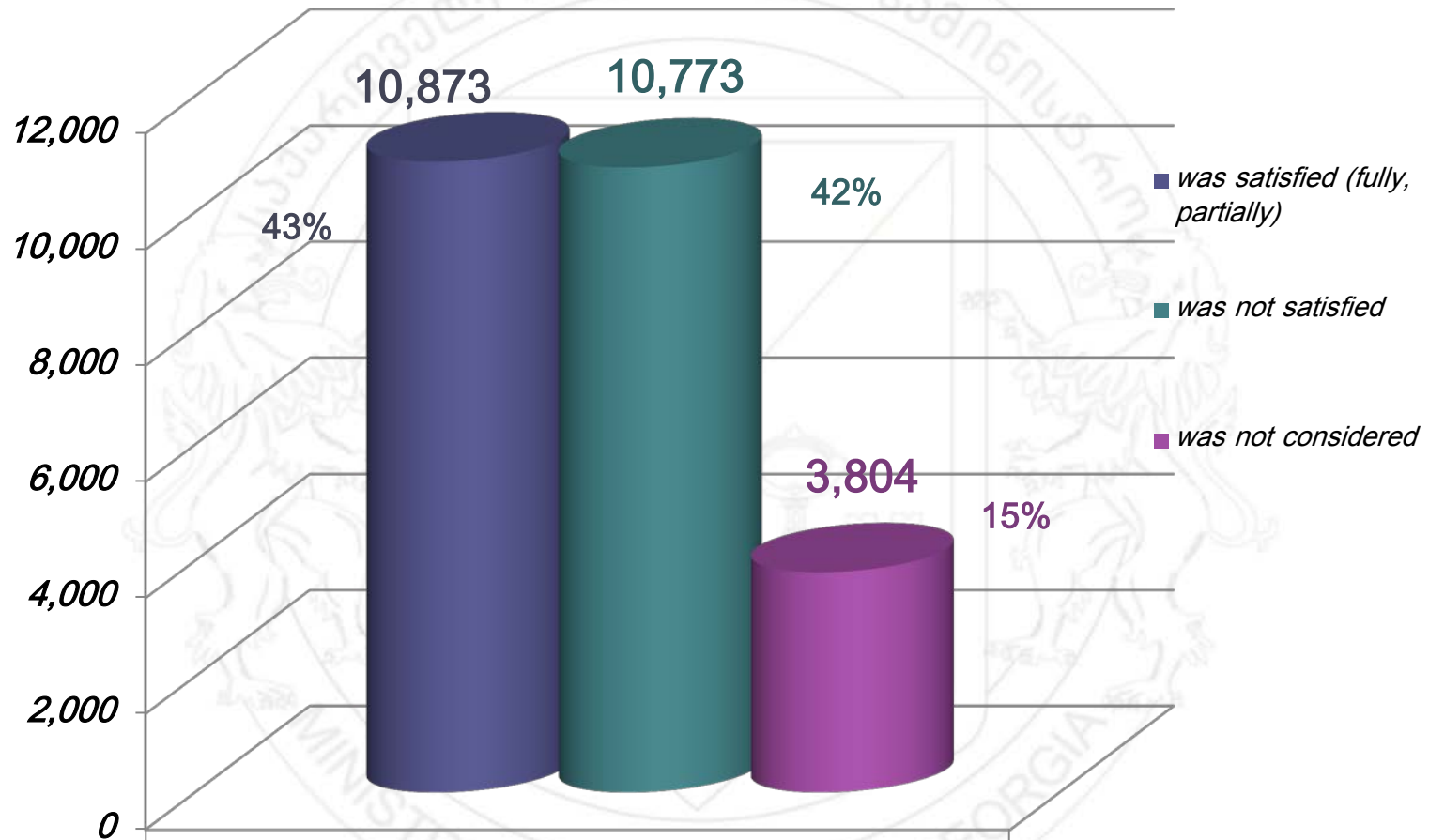
- ✓ **2749** import permits for products of plant origin subject to phyto-sanitary control; **2260** The phyto-sanitary certificate / export phyto-sanitary certificate;
  - ✓ **562** import permit for products of animal origin subject to veterinary control; **35** Veterinary certificates;
  - ✓ **263** Ship Sanitation Control Exemption Certificate , **506** International Certificate of Vaccination.
- ❑ **506** persons from countries at risk were subject to the polio vaccination at border and 100 persons from countries at risk were registered as subject to epidemiological surveillance of National Center for Disease Control and Public Health

## Completed Tax Audits

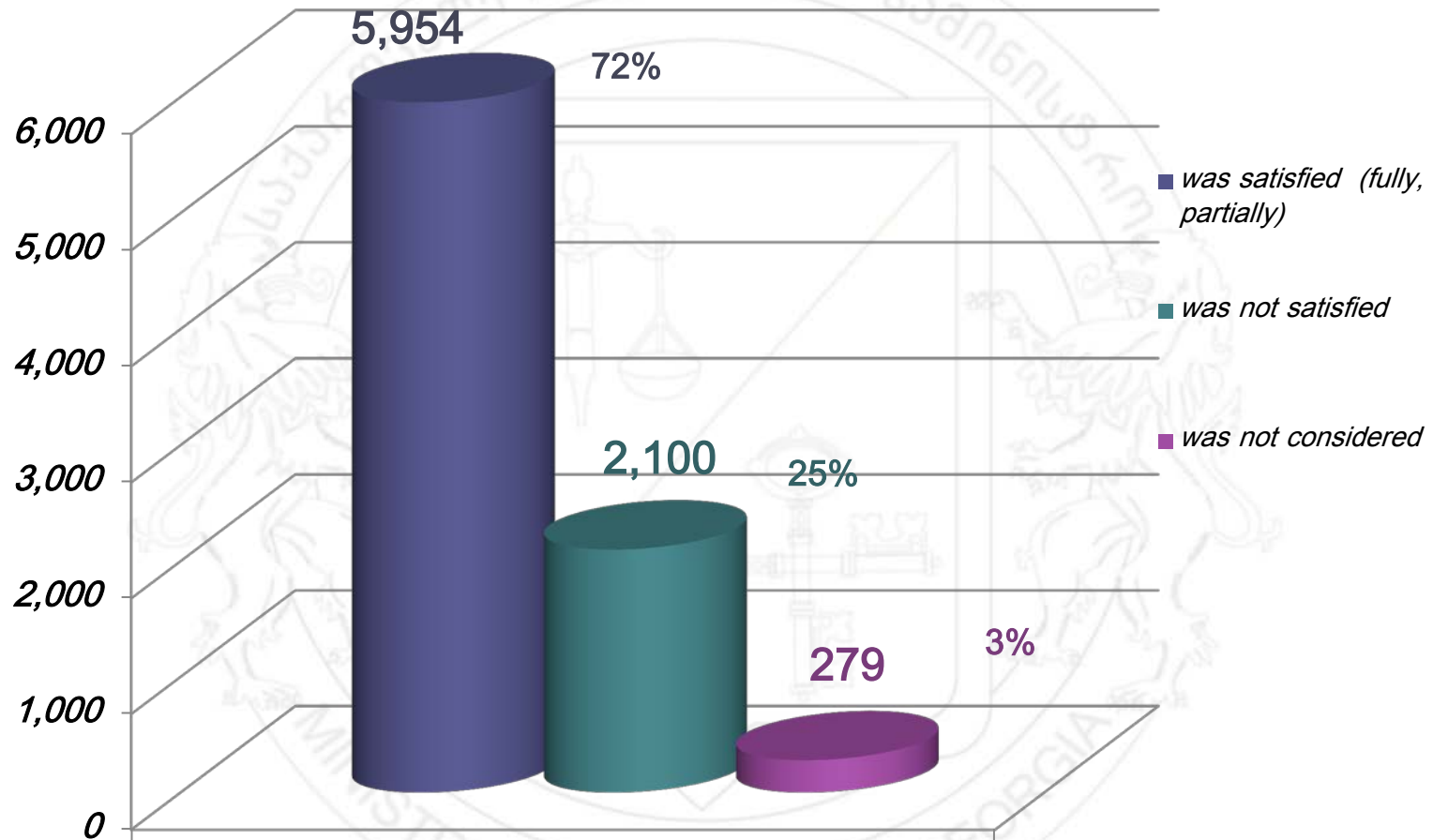
(From 1 January, 2013 to 10 October, 2015)



# Analysis Of Tax Appeals Examined By The Dispute Department Of GRS between 2013-2015 (1 October ) **25,450** appeals in total



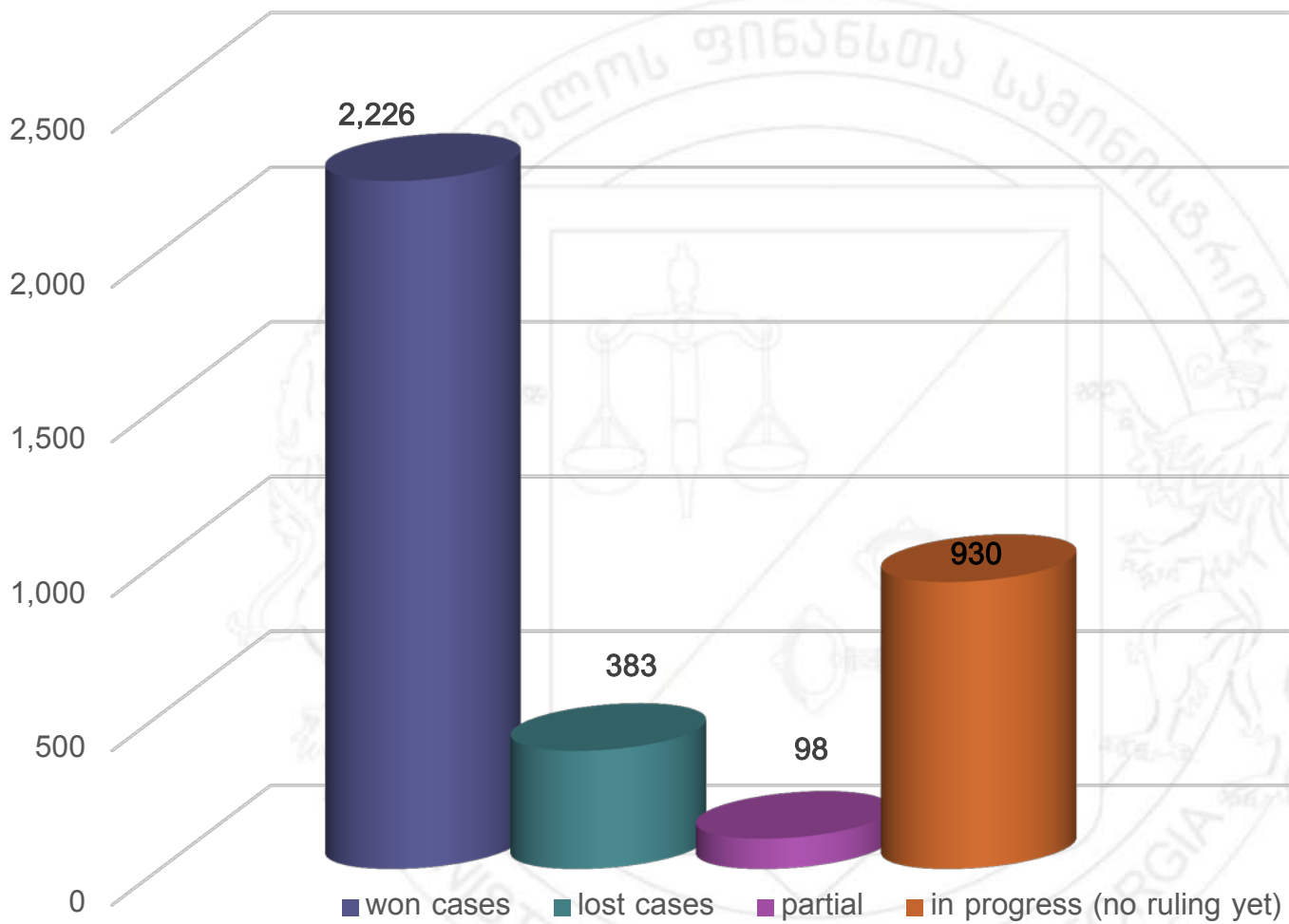
# Analysis Of Tax Appeals Examined By The Mediation Council Of GRS between 2013-2015 (1 October) **8,333** appeals in total



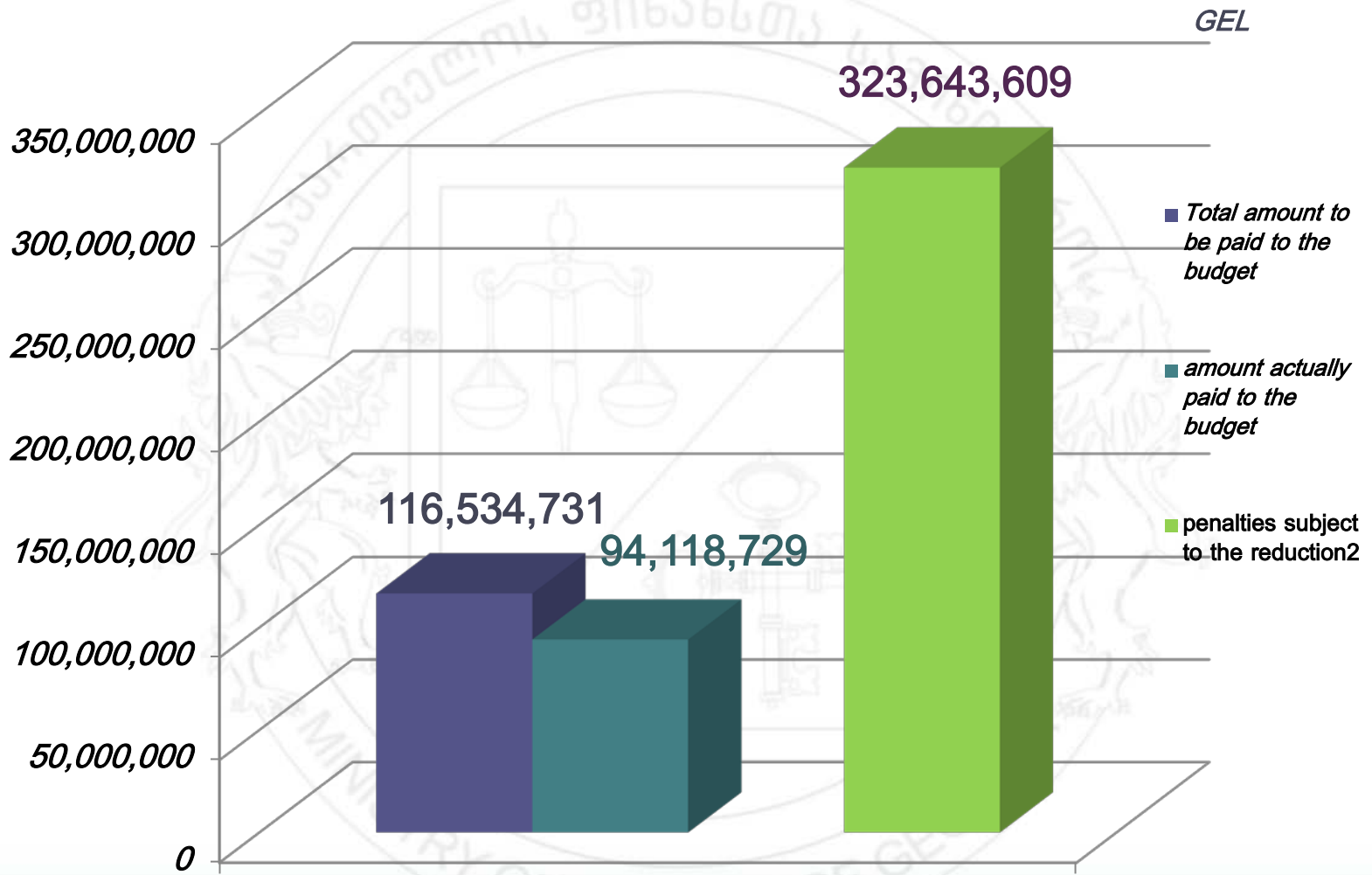


# Litigation Statistics Between 2013-2015 Years (1 October)

## 3637 cases in total



# Statistics on Tax Agreements Between 2013-2015 (08.10.2015.) (1503 taxpayer)

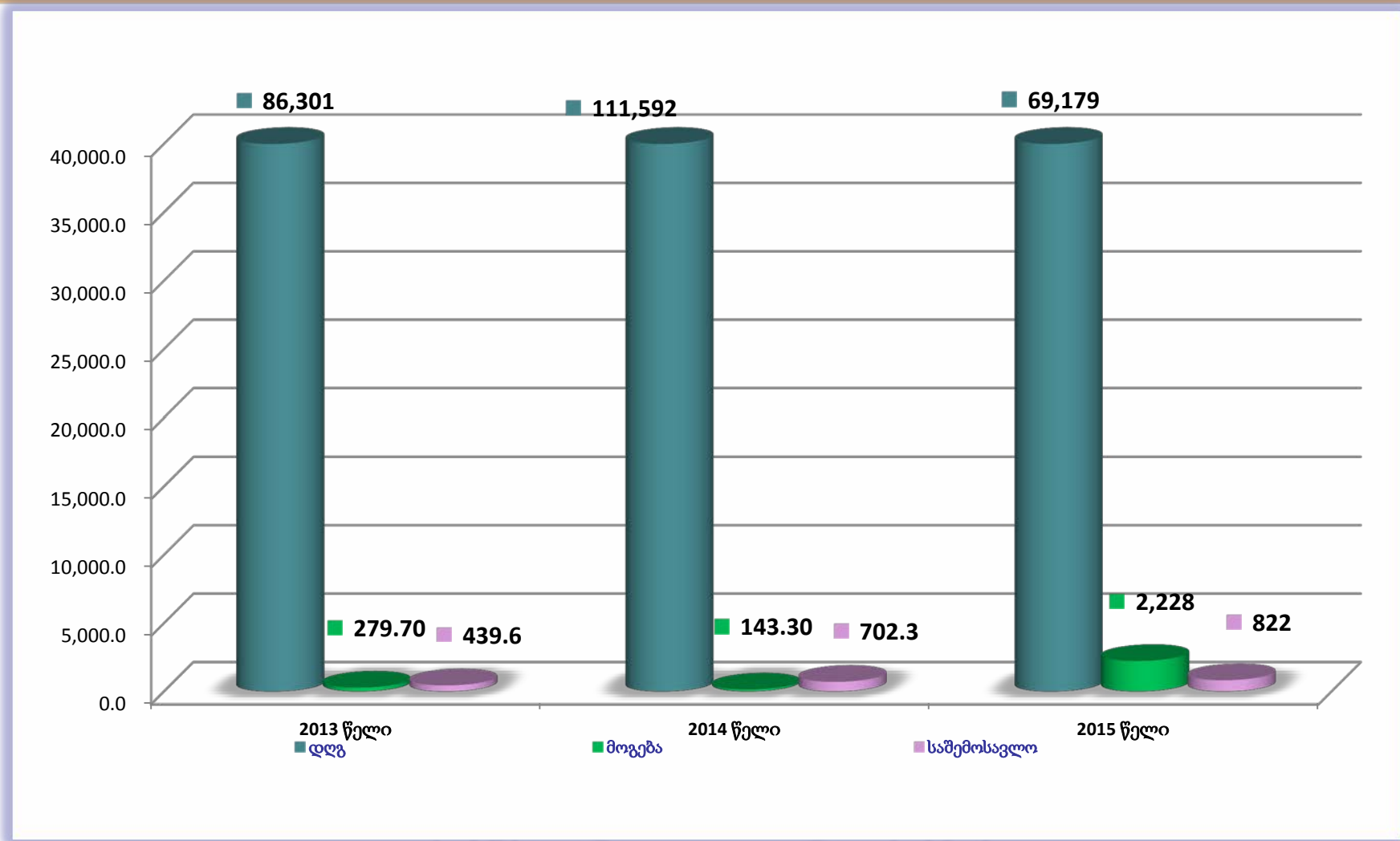


# Write-Offs

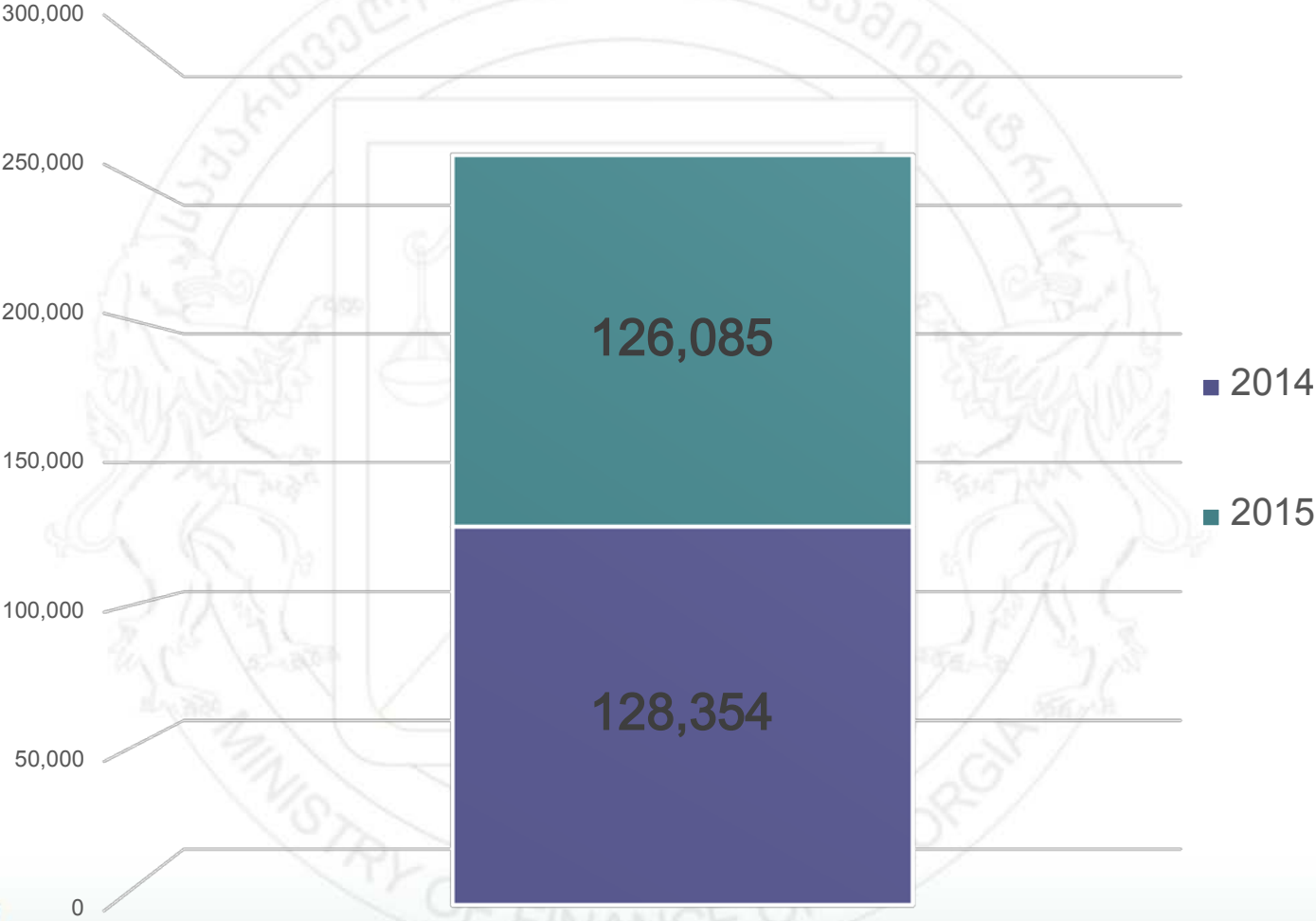


- ❑ By 9 October, 2015, according to Article 309.37 of the Tax Code of Georgia, **1 000 659 985** GEL has been written off from 18 031 taxpayers, including:
  - ✓ a) Clause A - 991 089 119 GEL from 10 350 taxpayers
  - ✓ b) Clause B - 4 470 769 GEL from 623 taxpayers
  - ✓ c) Clause C - 5 100 096 GEL from 7 058 taxpayers

# Statistics Of Overpaid Taxes Refunded In 2013-2015

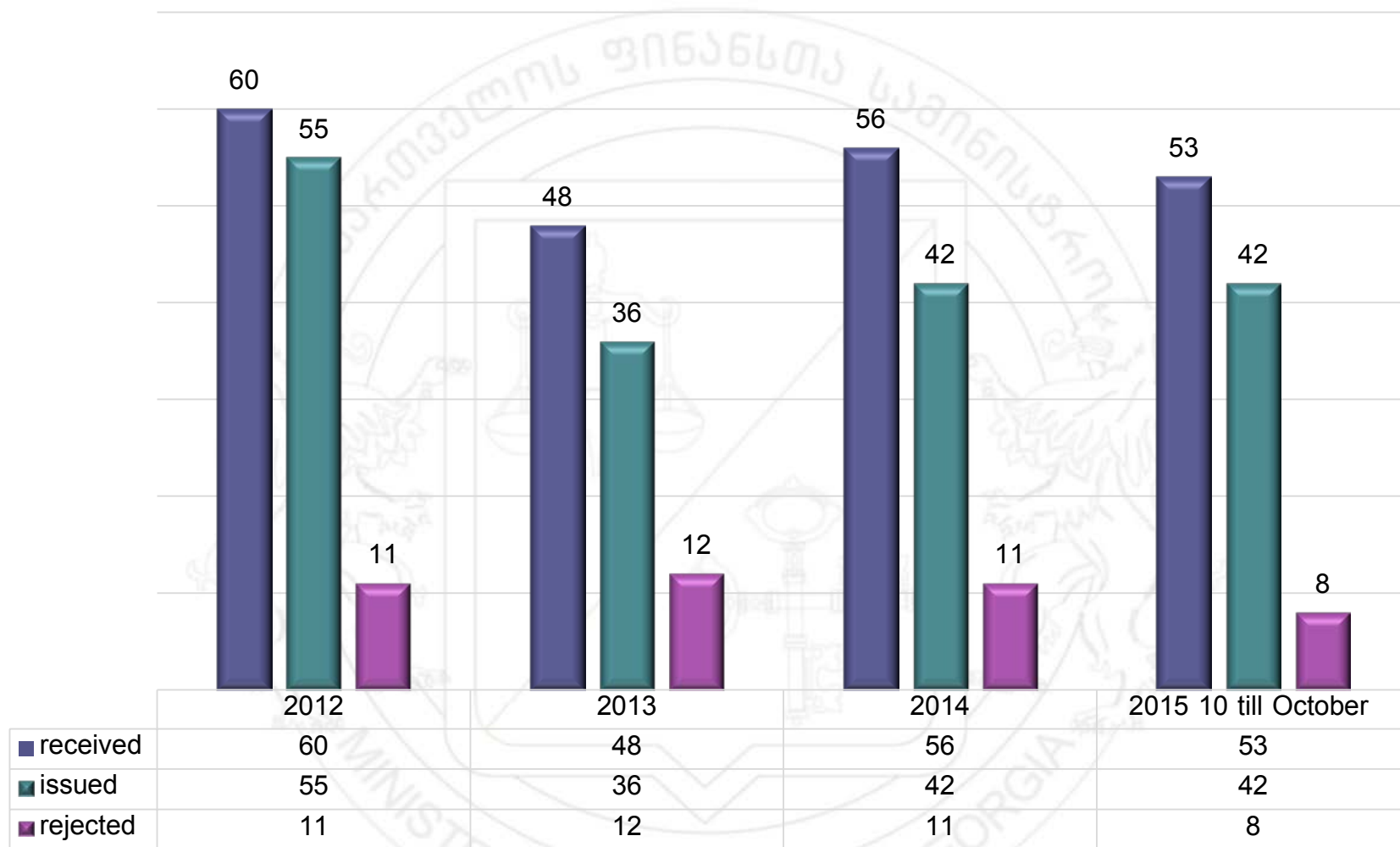


# Statistics of amounts of Tax Free Threshold Refunded in 2014-2015 (Thousands of GEL)



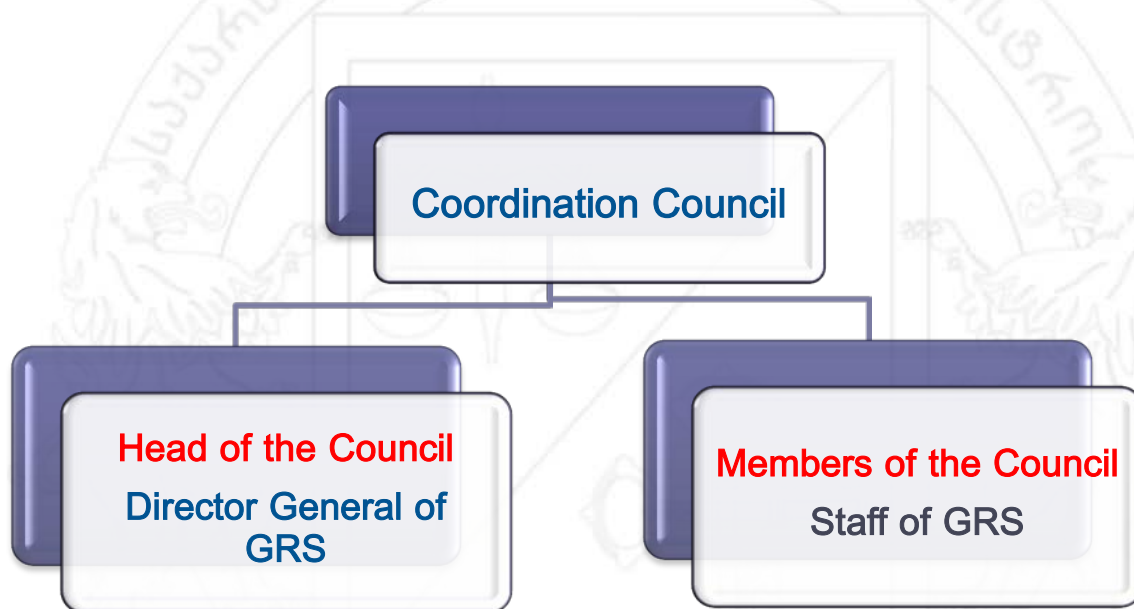
# Statistics of Advance Tax Rulings issued by GRS

(from 2012 to 10 October, 2015)



## Manuals Prepared by GRS

- ❑ To prepare the manuals on interpretation of the Tax Code and the application of certain provisions of Georgian tax legislation “Coordination Council” was created

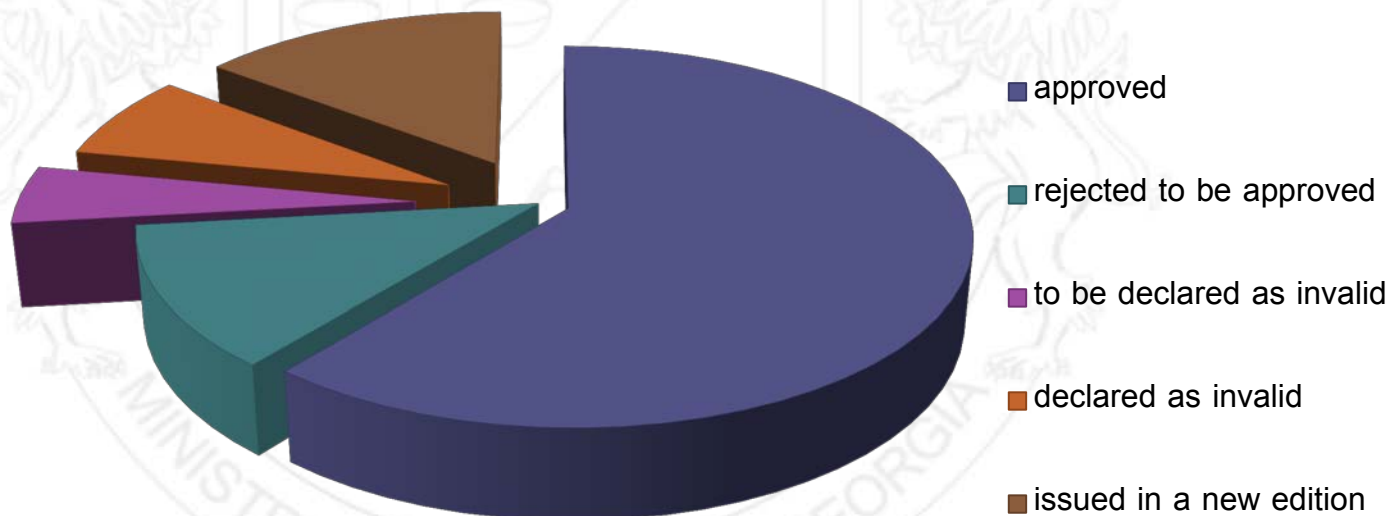


- ❑ Staff of the Ministry of Finance of Georgia and private sector representatives (business representatives, ombudsman, alternative audit, independent experts and etc.) participate in the activities of Coordination Council as experts;
- ❑ **Coordination council renewed its activities from March, 2015**

# Manuals Prepared by GRS

From March, 2015 until today:

- ✓ Approved 25
- ✓ Rejected 5
- ✓ To be declared as invalid 2
- ✓ Declared as invalid 3
- ✓ Issued in a new edition 6
- ❖ **Totally examined 41**





## Rescheduling Tax and Loan Arrears

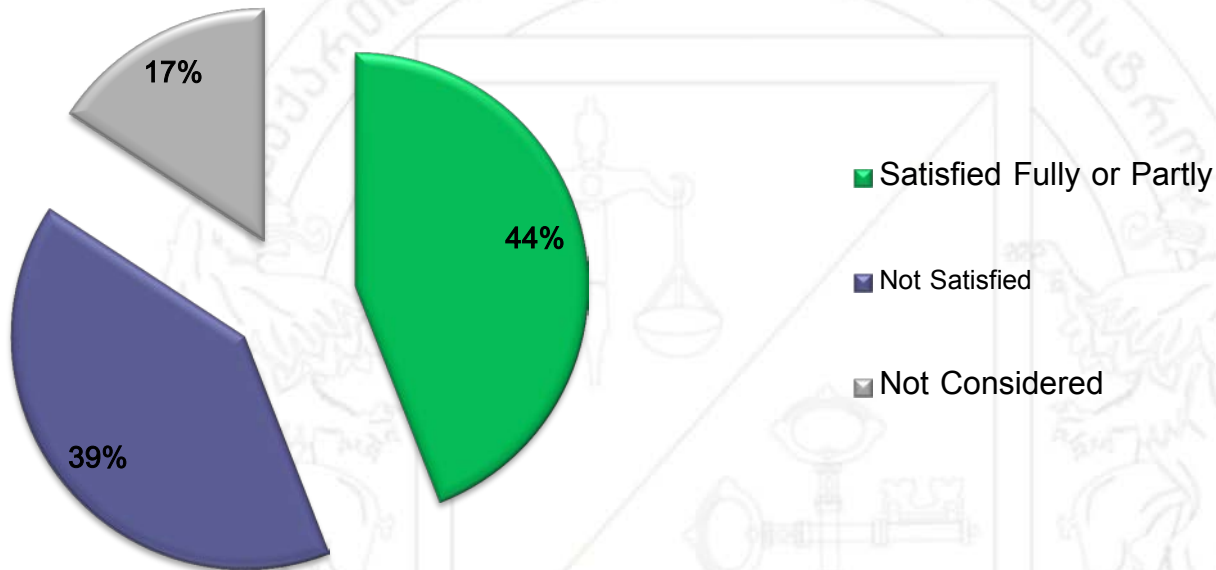
- ❑ Based on the committee decision respective documentations prepared and submitted to the government for the final decision.
  - ✓ 5 of which were gratified with the changes in the repayment schedule;
  - ✓ 20 loans have been rescheduled
  - ✓ 16 tax arrears have been rescheduled.
  
- ❑ Initiatives developed in order to amend the Law on Rescheduling Tax and Loan Arrears. Draft law was been approved by the Parliament. The amendments improve rescheduling conditions for tax payers and debtors to the government as well as improves instruments at the government disposal to recover arrears.

# Council of Tax Appeals under the Ministry of Finance

## Analyses of Completed Disputes

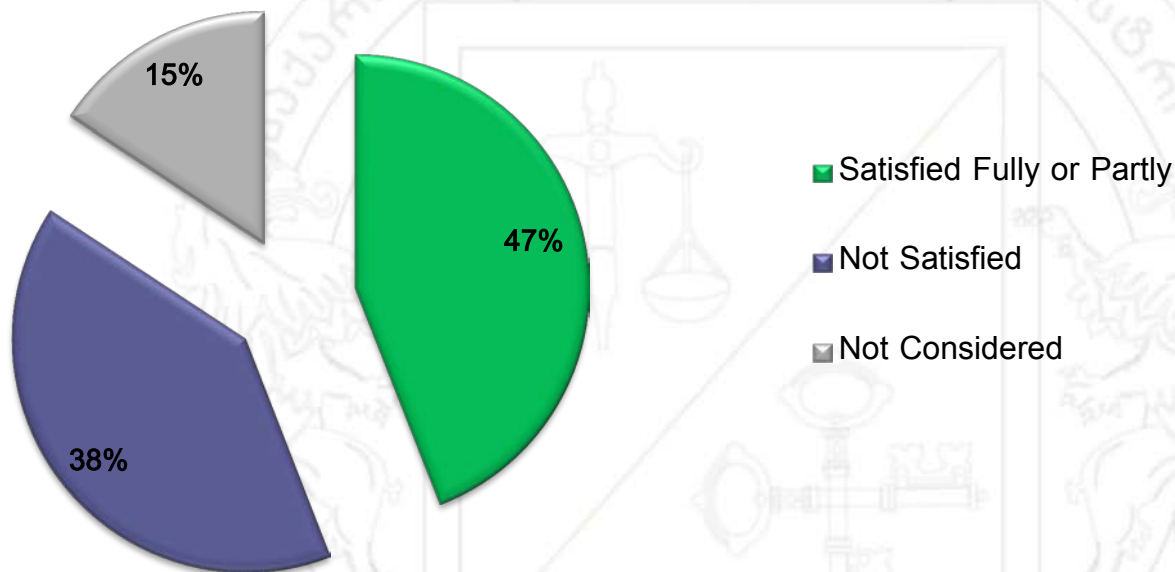


### Dispute Resolution Coefficient according to Quantity of Complaints



From 01.10.2012 to 01.10.2015 period Council made decision on 4 231 complaints. In 1875 cases litigant's demands were satisfied fully or partly, in 1645 cases complaints were not satisfied and in 711 cases Council did not consider a claim because of procedural irregularities or discontinue of disputes.

### Dispute Resolution Coefficient according to Payment Charged

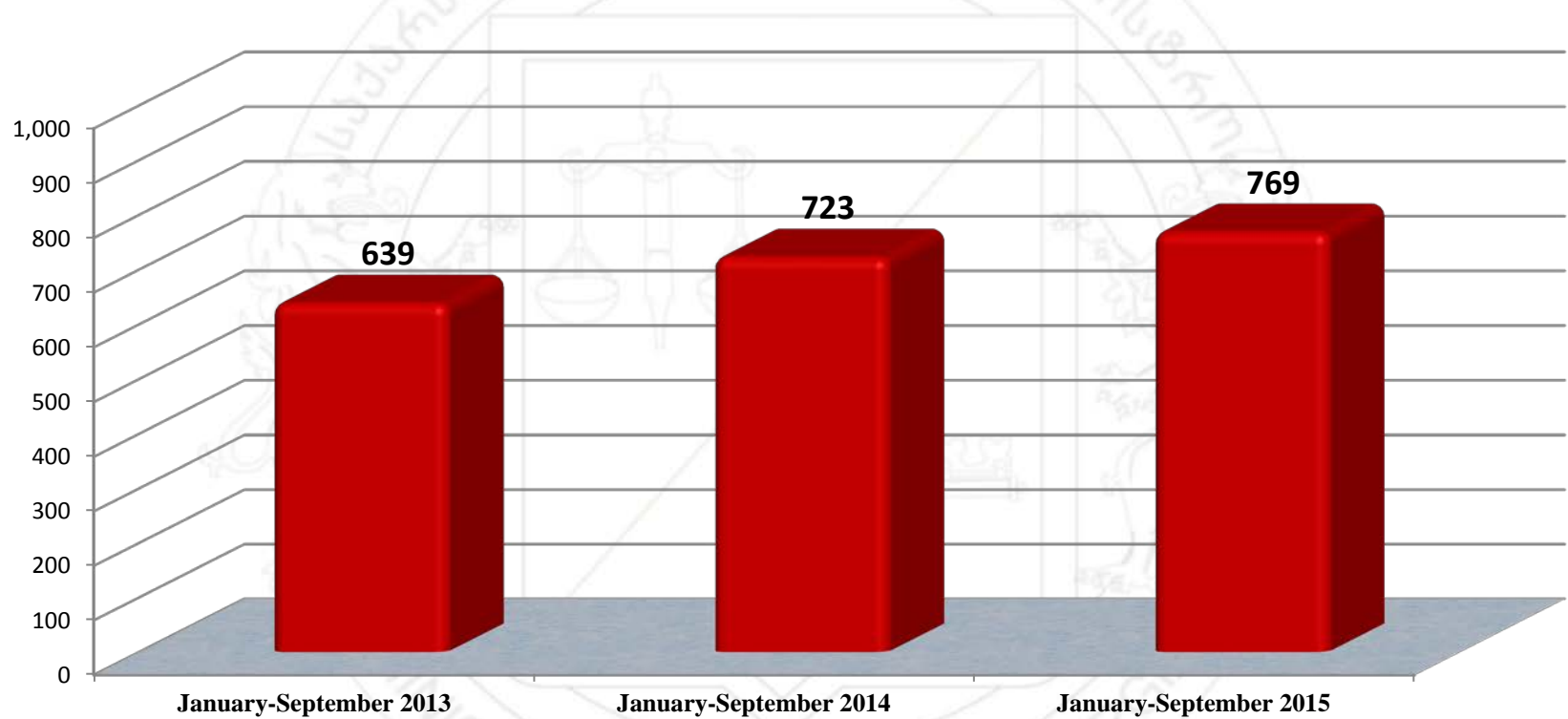


From 01.10.2012 to 01.10.2015 period contesting amount was 1194 million Lari. From here fully or partly were satisfied complaint's amount was 550 million Lari, not satisfied amount - 454 million Lari and not considered amount – 179 million Lari.



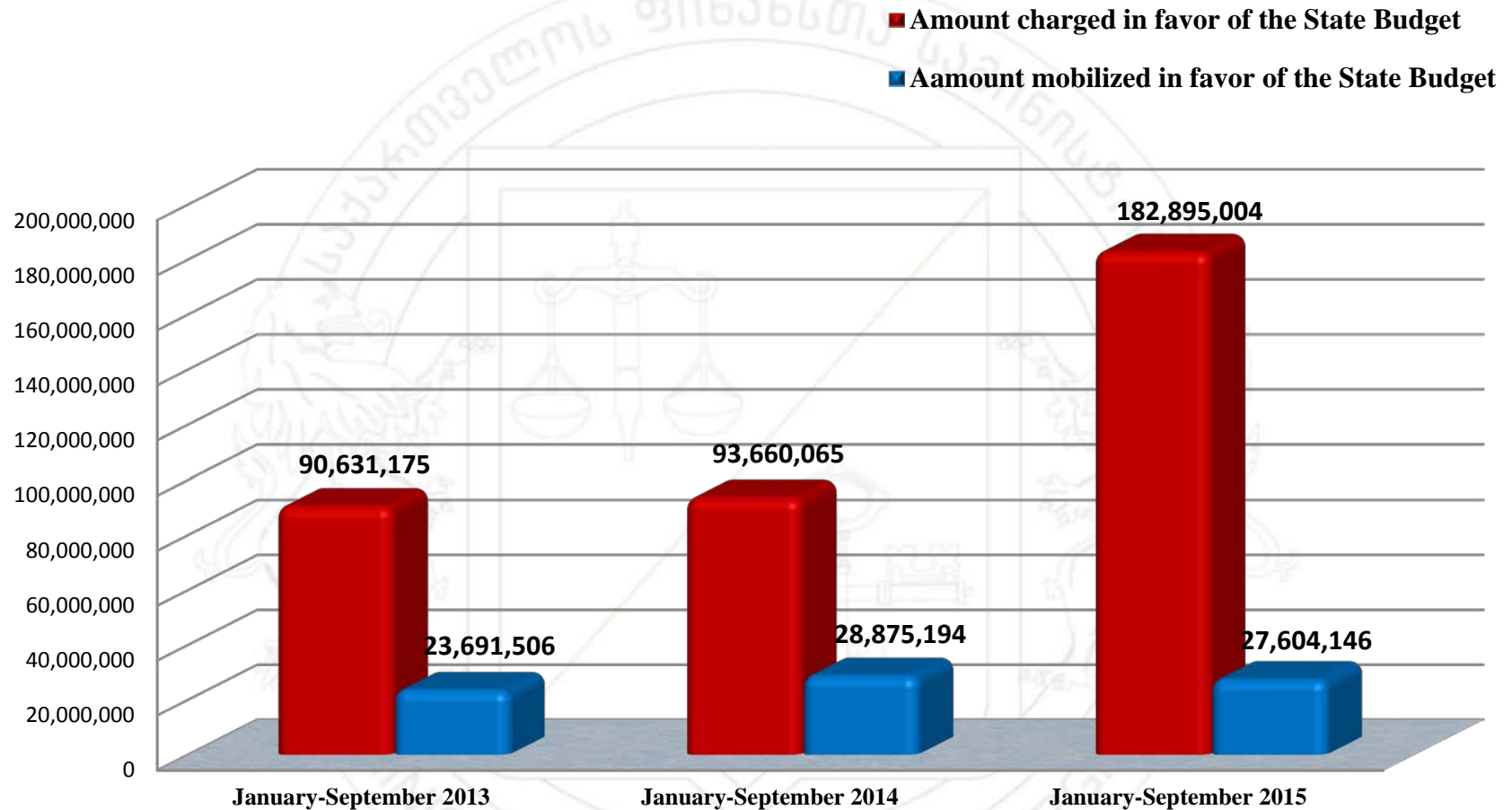
# Offences Detected by the Investigation Service of the Ministry of Finance of Georgia

■ Criminal Cases



# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia





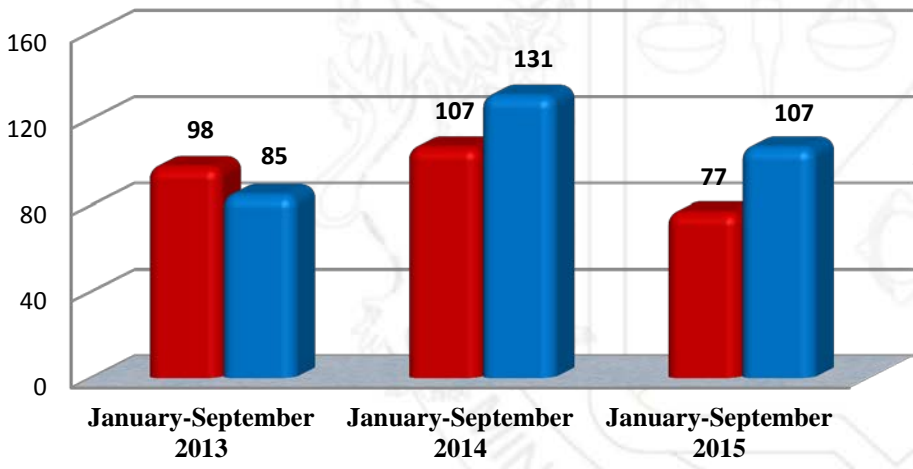
# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia

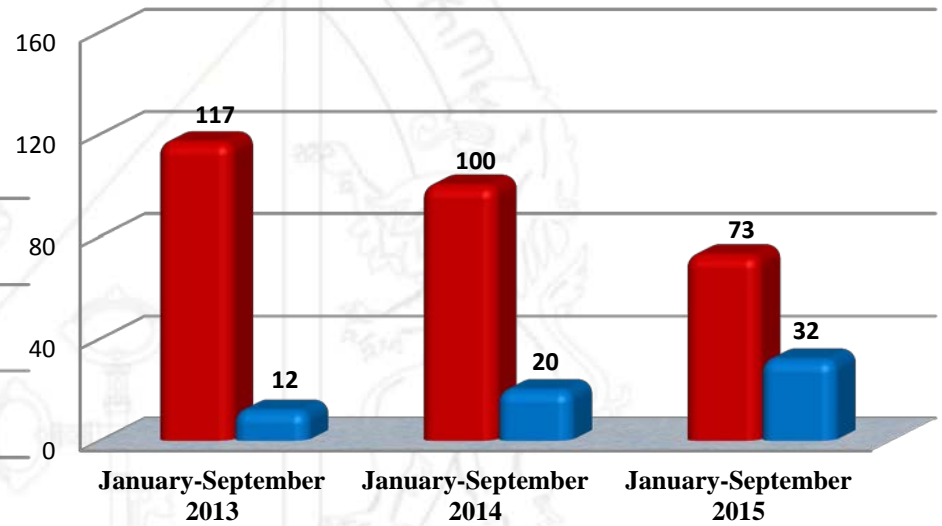
### Criminal Prosecution, Tax field

#### Initiating preliminary Investigation Tax field

- Production, selling or use of false credit cards or other settlement cards(article 210)
- Tax evasion (article 218)



- Production, selling or use of false credit cards or other settlement cards(article 210);
- Tax evasion (article 218);





# Fighting Against Economic Crime

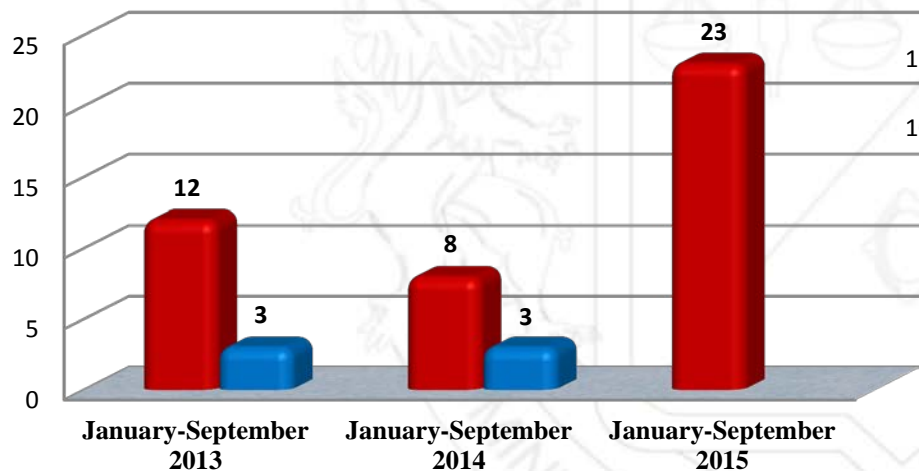
## Investigation Service Of Ministry Of Finance Of Georgia



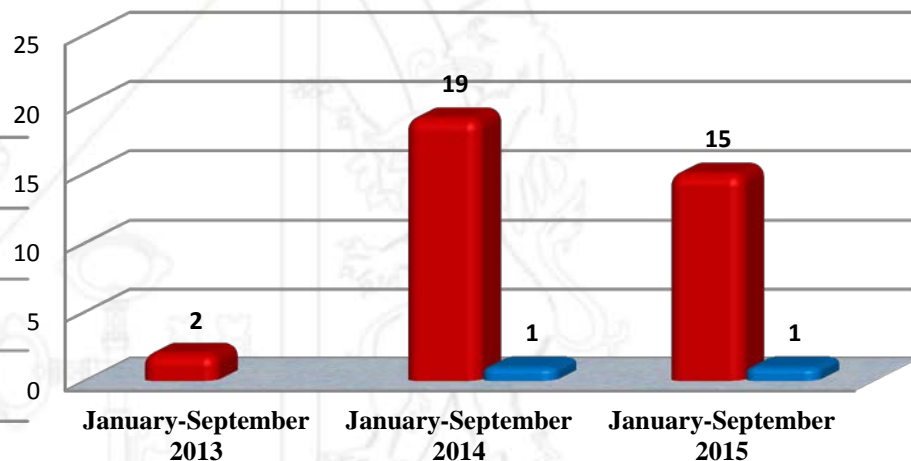
### Criminal Prosecution, Protecting Consumers' rights

#### Initiating preliminary Investigation, Protection of Consumers' Rights

- Falsification, counterfeit(article 197)
- Production, import or selling of those products harmful for human being's health(article 198)



- Falsification, counterfeit(article 197);
- Production, import or selling of those products harmful for human being's health(article 198);





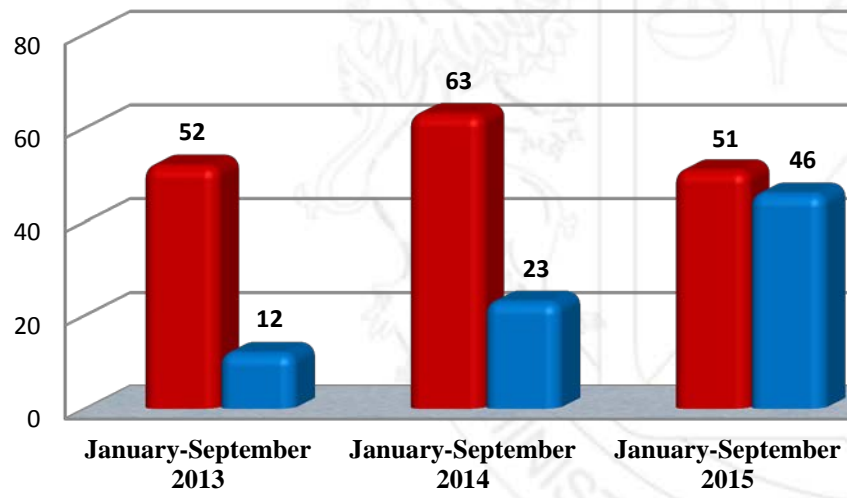
# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia

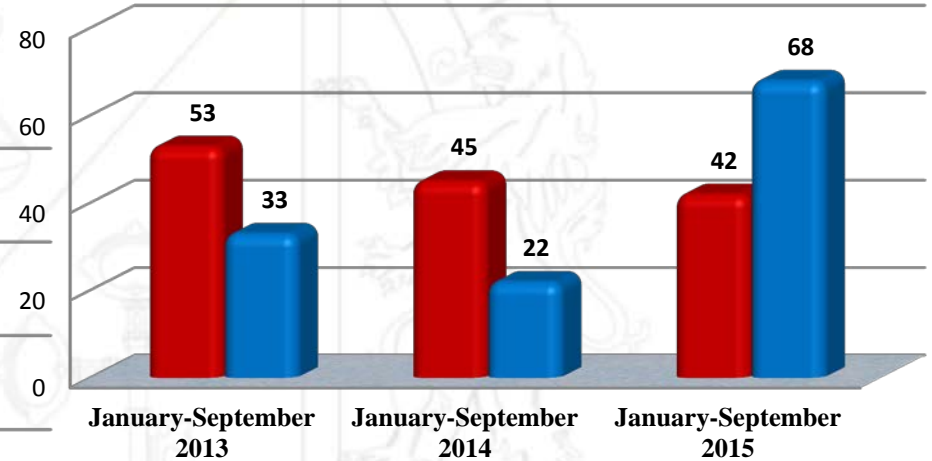
### Criminal Prosecution, Smuggling and Illegal Entrepreneurship

#### Initiating Preliminary Investigation, Smuggling and Illegal Entrepreneurship

■ Infringement/violation of customs rules (article 214);  
 ■ Illegal entrepreneurial activity(article 192);



■ Infringement/violation of customs rules (article 214);  
 ■ Illegal entrepreneurial activity(article 192);







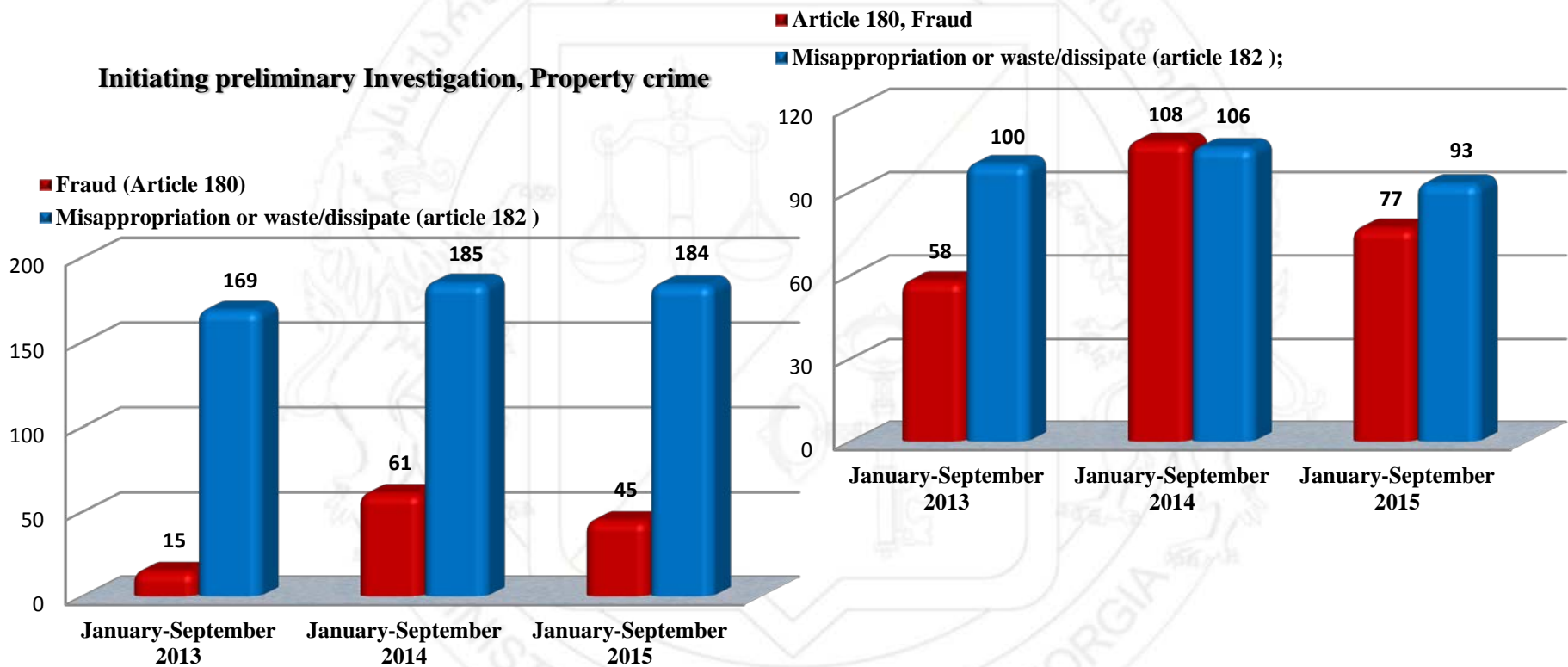
# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia



### Criminal Prosecution, Property Crime

#### Initiating preliminary Investigation, Property crime



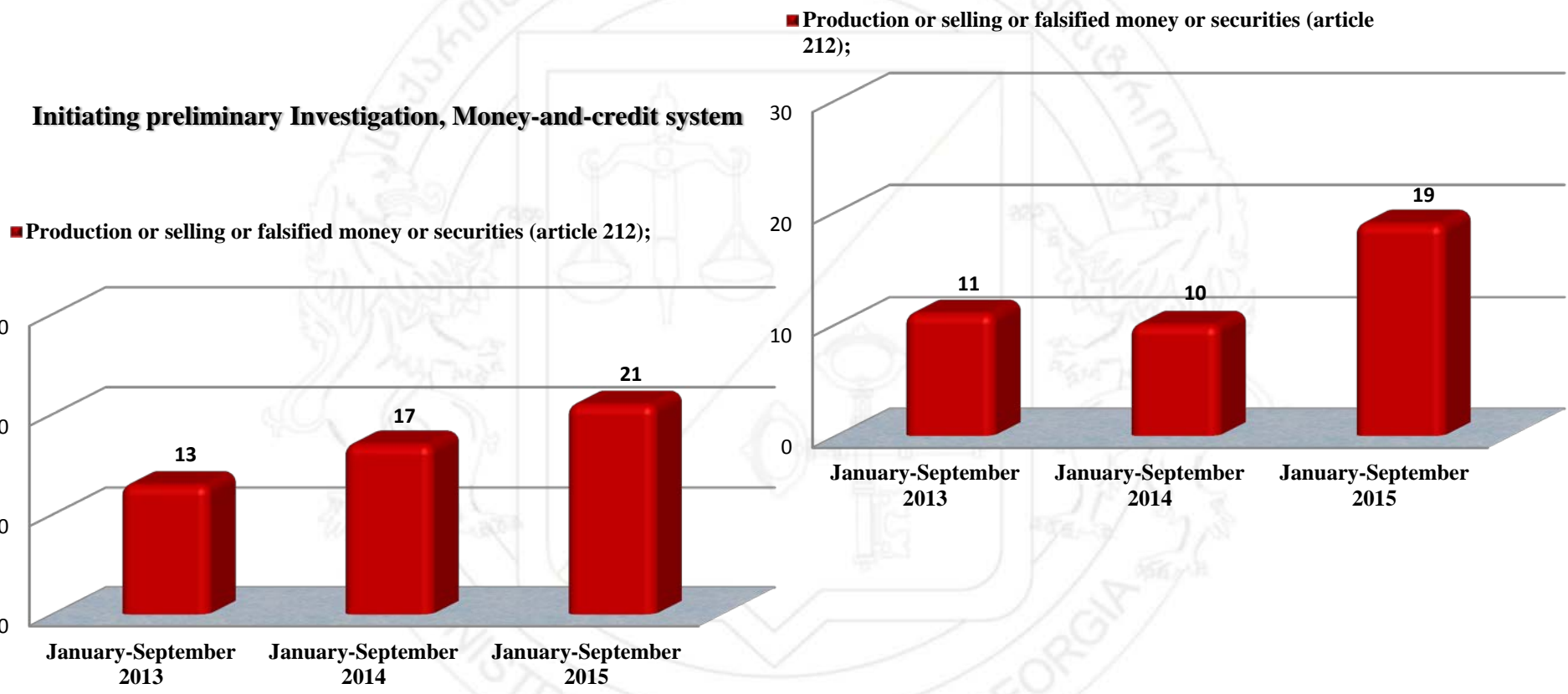


# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia

### Criminal Prosecution, Money-and-credit system

#### Initiating preliminary Investigation, Money-and-credit system

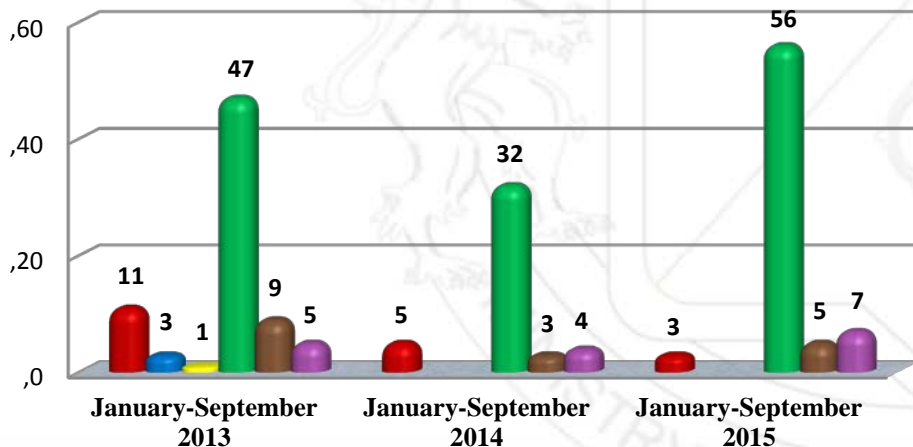


# Fighting Against Economic Crime

## Investigation Service Of Ministry Of Finance Of Georgia

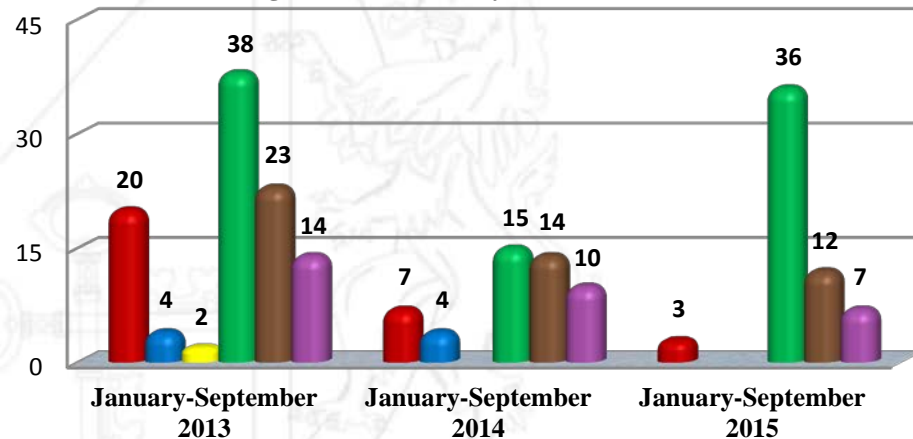
### Initiating Preliminary Investigation, malfeasance

- Article 332. Abuse of Official Authority
- Article 333. Exceeding Official Powers
- Article 337. Illicit Participation in Entrepreneurial Activity
- Article 338. Accepting Bribes
- Article 341. Falsification in Service
- Article 342. Neglect of Official Duty



### Criminal Prosecution Corruption and malfeasance

- Article 332. Abuse of Official Authority
- Article 333. Exceeding Official Powers
- Article 337. Illicit Participation in Entrepreneurial Activity
- Article 338. Accepting Bribes
- Article 341. Falsification in Service
- Article 342. Neglect of Official Duty



### Implemented services on [www.eauction.ge](http://www.eauction.ge) in 2013 – 2015 years for the improvement of service quality:

- Redesigning of website [www.eauction.ge](http://www.eauction.ge)
- Online installment payments for buying the property
- eMoney online wallet
- Online Consultation Service
- „Buy it Now” functionality
- QR code for auction lots
- Improvement of security features
- Subscription services
- SMS service of payment system and ongoing auction
- Manual book and customer survey features
- “Liberty Bank”, “TBC Bank” and “Cartu Bank” payment systems on website [www.eauction.ge](http://www.eauction.ge)

Revenues generated from the trade network of Service Agency of Ministry of Finance - “Kalata” is **4 239 043 GEL** in 2013-2015 (9 months).

Revenues generated from the selling of the seized property and disposing of state-owned chattel property taken on balance is **14 287 988 GEL**.

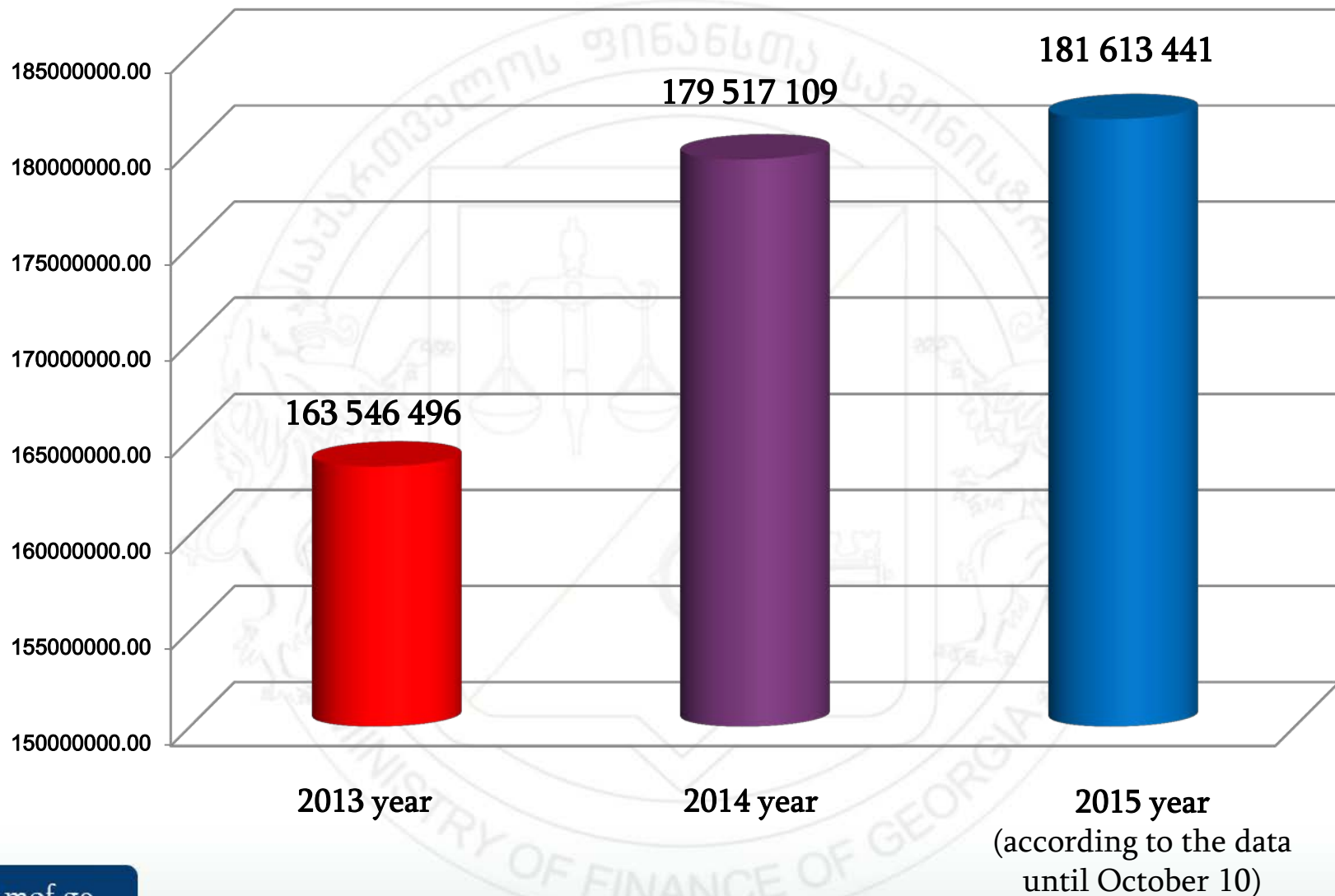
Including:

- ✓ Electronic auctions - **10 048 945 GEL**
- ✓ Trade network - **4 239 043 GEL**

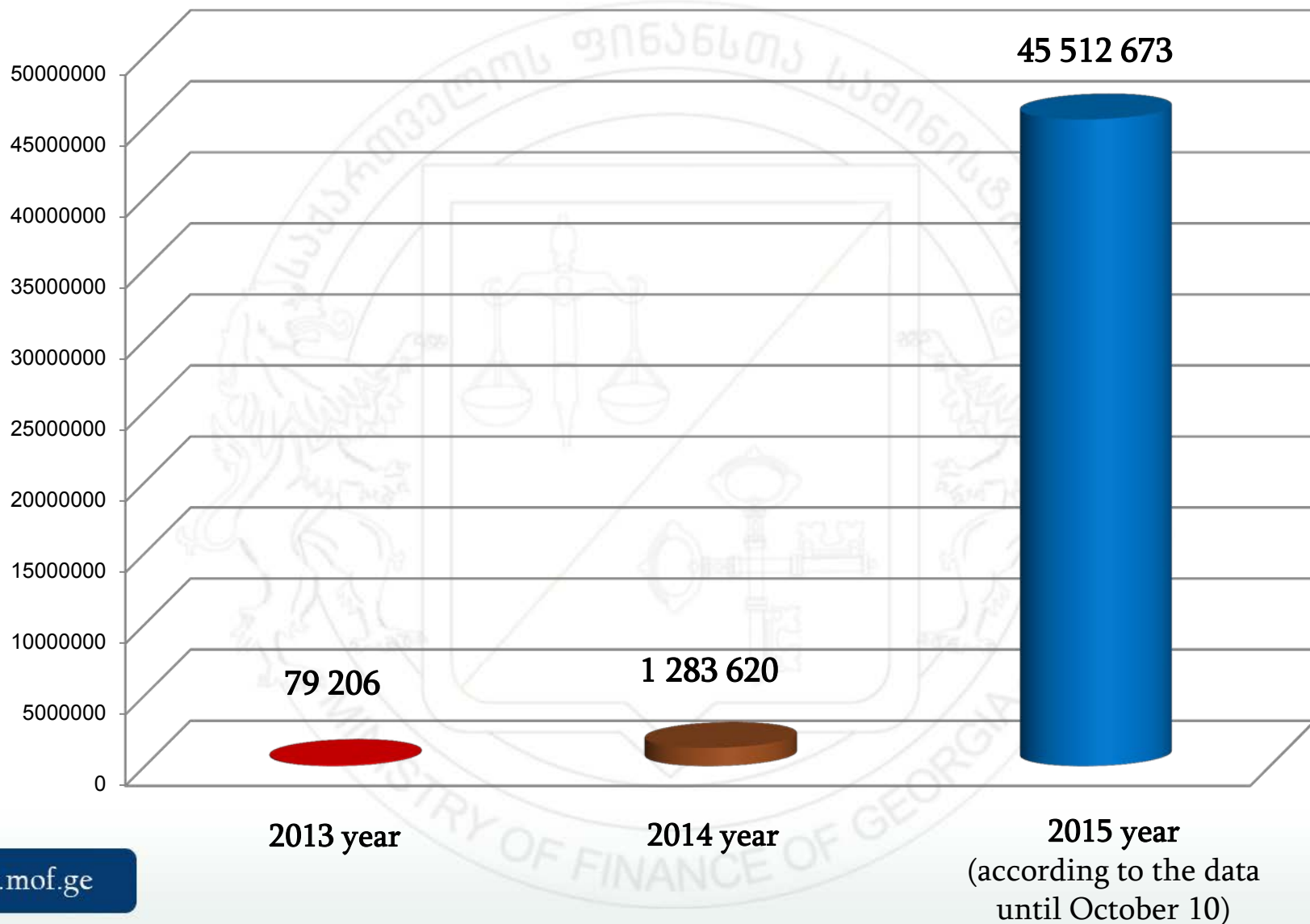
In 2013-2015 (9 months) the value of free of charge given property as a result of the saved budget funds, amounted to **5 708 804 GEL**.

In 2013-2015 (9 months) services provided by the Service Agency to the total amount of physical/legal entities through the website [www.eauction.ge](http://www.eauction.ge) rended **769 805 GEL**.

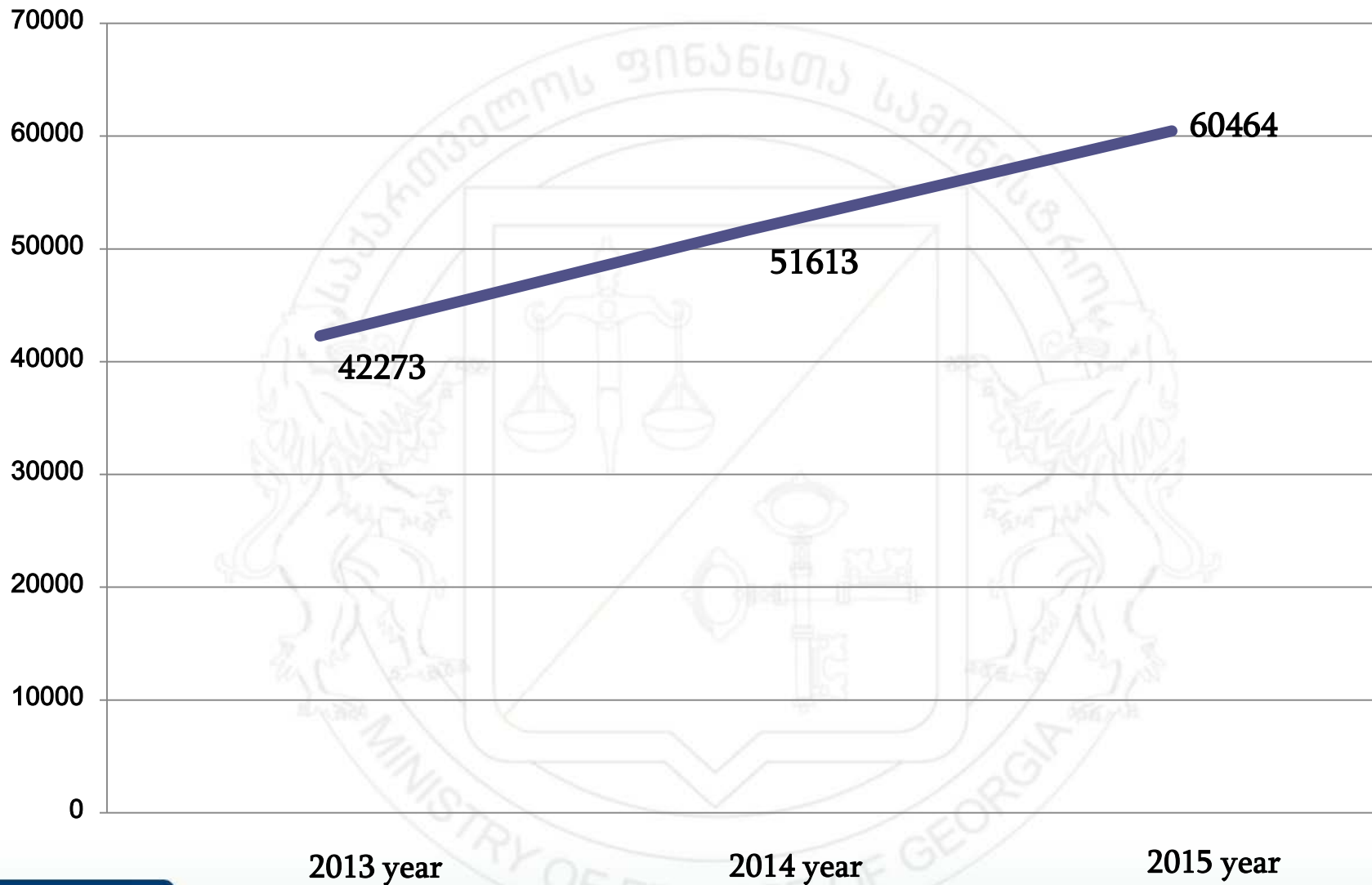
# Turnover (GEL) of the portal (www.eauction.ge) of LEPL Service Agency of the Ministry of Finance



# Turnover (USD) of the portal (www.eauction.ge) of LEPL Service Agency of the Ministry of Finance

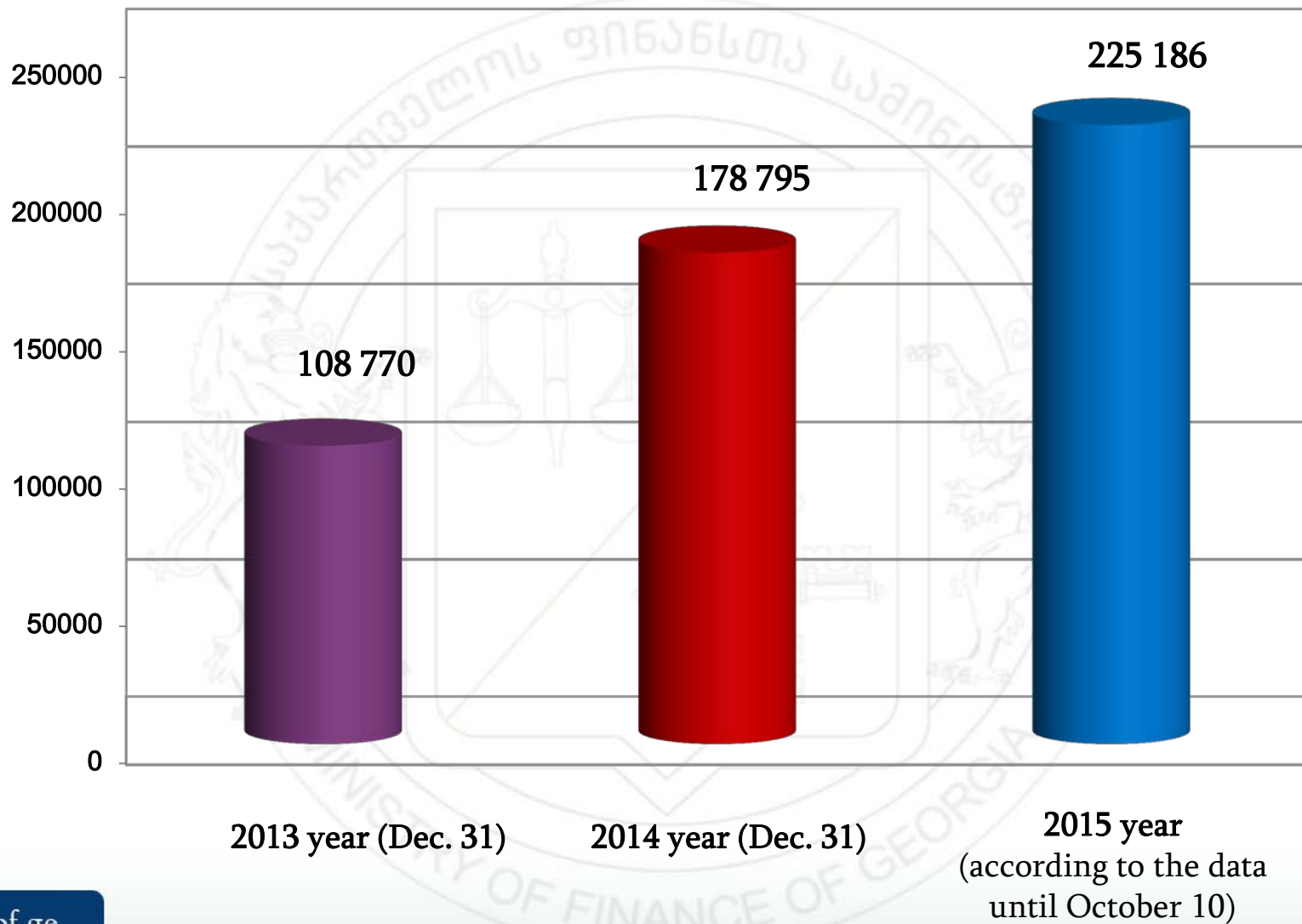


# Increased Number of Registered Users of the website www.eauction.ge

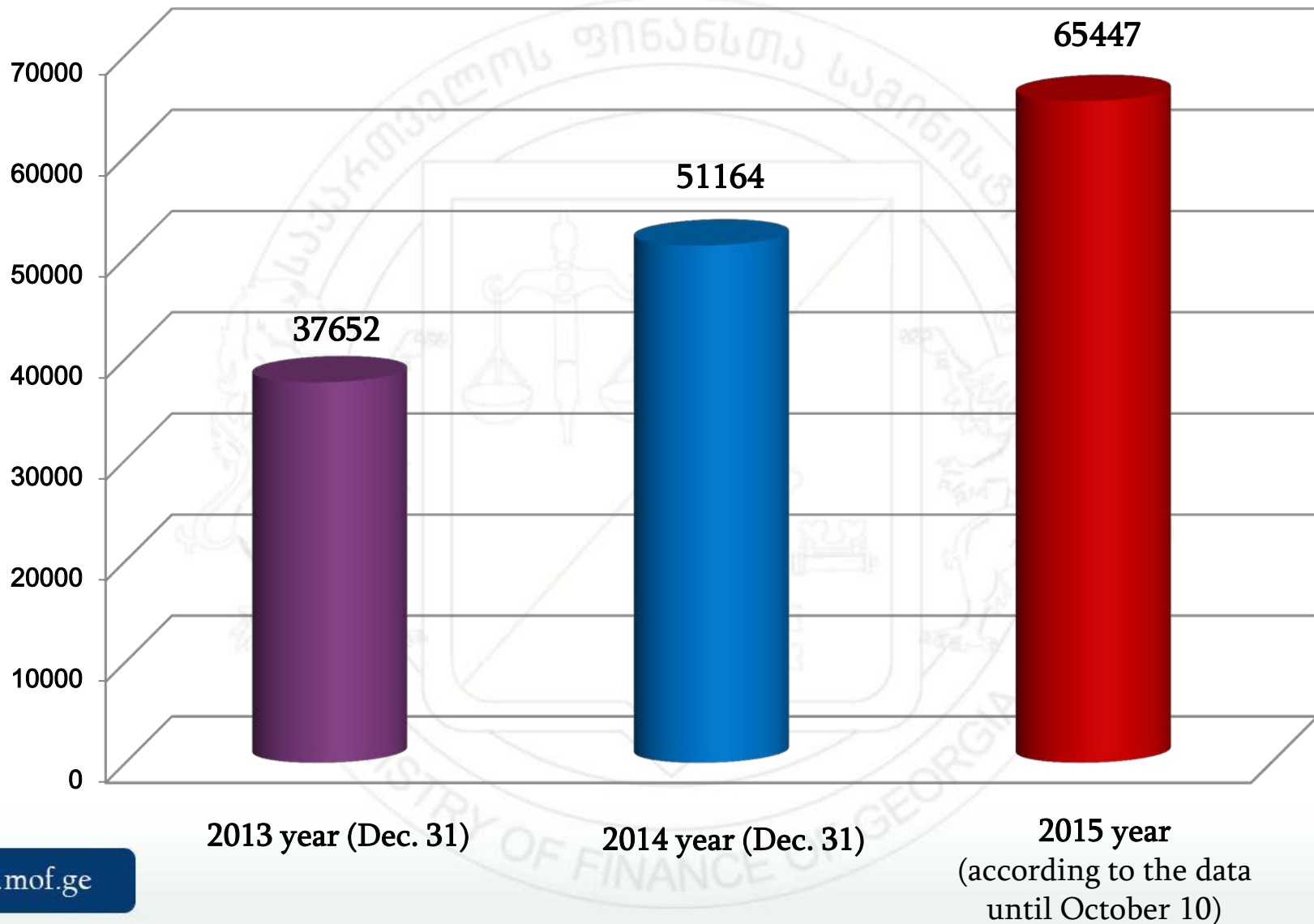




## The total number of lots listed on the portal for selling



# The total number of the lots sold by the portal



# Educational Programs of the Academy of the Ministry of Finance of Georgia



The Mission of The MOF Academy is to support development of strong state institutions and private sector. It aims at strengthening professional skills and knowledge within the system of the Ministry of Finance, as well as, developing competencies of human resources throughout Georgia by the means of well –targeted, tailor-made high quality training programs.

Approximately 7,200 persons were trained in 40 different modules at the Academy throughout 2013 -2015, including:

- ❑ System of the Ministry of Finance - 1,434 employees
- ❑ State organizations – 1,705 employees
- ❑ Trainings in support of reforms initiated by the Ministry of Finance – 2,241 employees
- ❑ Businesses / individuals – up to 1,000 persons
- ❑ Educational institutions and youth organizations - up to 200 representatives

MOF Academy offers attestations/ testing in professional knowledge and skills for various vacant positions in state organizations. 5,812 persons have been tested using Academy's electronic testing system .

# Educational Projects of The Academy of The Ministry of Finance



## MOF Academy actively co-operates with various international organizations:

GIZ, US embassy, US Aid, International Monetary Fund, The Ministry of Finance of Netherlands, European Union, HAUS Finnish Institute of Public Management, Estonian Academy of Security Science, Louis Berger, United Nations Development Fund, International Organization for Migration, etc.

- ❑ Academy of the Ministry of Finance have conducted seven regional trainings in cooperation with International Monetary Fund 159 participants have been trained (2 more trainings are planned to be held this year).
- ❑ In cooperation with The Ministry of Finance of The Netherlands there have been 10 trainings held and 149 participants trained.
- ❑ In cooperation with GIZ – 278 auditors of executive branch of the government and 459 accountants have been trained.
- ❑ In cooperation with US embassy, 110 representatives were trained in leadership and management skills.

## MOF Academy also offers training courses developed and led by Georgian experts on international arena.

- ❑ Academy held 4 Georgian experts led trainings for its foreign colleagues
- ❑ In 2015 international conference on Budgeting and Fiscal Issues was held supported by EU and World Bank, bringing together more than 60 participants from 8 countries to share their best experiences and knowledge in the field.

# Educational Projects of The Academy of The Ministry of Finance



## E-Learning

In order to increase the availability and flexibility of the trainings, Academy has introduced e-learning Moodle-based software platform. In the first stage of the project three e-courses have been developed and distributed among the employees of the Ministry of Finance

[e.mofacademy.ge](http://e.mofacademy.ge)

სსიპ - ფინანსთა სამინისტრო

e.mofacademy.ge

ქართული (ka) თქვენ არ ხართ შენოსული (შესვლა)

სსიპ - ფინანსთა სამინისტროს ...

მთავარი ჩვენ შესახებ ინსტრუქცია

სახელმწიფო ენა მოხელეთათვის და არა მხოლოდ მათთვის

ხელმისაწვდომი კურსები

- IT უსაფრთხოება...
- სახელმწიფო ენა...
- საპარო მოხელე...

ავტორიზაცია

მომხმარებლის დასახელება

პაროლი

მომხმარებლის დამასოვრება

ახალი მომხმარებლის შექმნა პაროლი დაგვიწყდათ?

ბოლო სემინარები

კურსების კატეგორიები

# Educational Projects of The Academy of The Ministry of Finance

## MOF Academy Catalogue and Calendar

Academy developed and published a catalogue with detailed description of its training programs. Moreover, The planned courses of the Academy were given fixed timeline and cost within the calendar. Thus, organizations and stakeholders will be able to pre- plan their time, having to pay much attention to enhancing employee competence. Of course, the Academy will continue organization of various tailor-made courses as requested by interested parties.



## MOF Academy Trainings

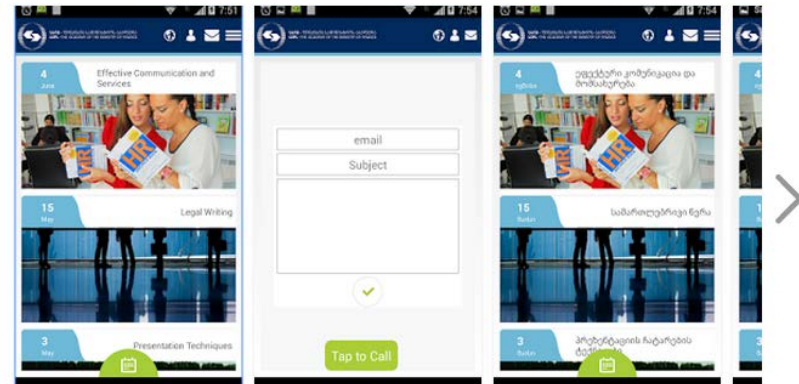
Potters Digital Agency Education

★★★★★ 2



This app is compatible with some of your devices.

Installed



## Mobile Phone Application

In order to increase awareness about Academy's educational courses and be more user-friendly for its trainees, Academy developed a mobile phone application. Through application, interested individuals will have access to information on all open courses, trainers and detailed schedules of the trainings. Customers will be able to "follow" and / or register for courses using their mobile devices.

# Educational Projects of The Academy of The Ministry of Finance



## Library

MOF Academy's library is known for its good and rare selection of books in the area of finance, budgeting, management, etc. With the support of HICD PLUS, a web based library management system Evergreen was set up to ensure smooth and comfortable utilization of a fully functional automated library management system, which is now connected to other institutions. Interested persons can search for and reserve books of the Academy from anywhere in the world.

<http://mofa.library.ac.ge>

The screenshot shows the library website interface. At the top, there is a search bar with the text 'Accounting' and a 'Type' dropdown set to 'საგანი'. Below the search bar, there are several filters and options, including 'სხვა მიება', 'გაფართოებული მიება', and 'დახარისხების კრიტერიუმი'. The main content area displays search results for 'Accounting', showing a list of books with their titles, authors, and publication details. The results are numbered 1 through 4.

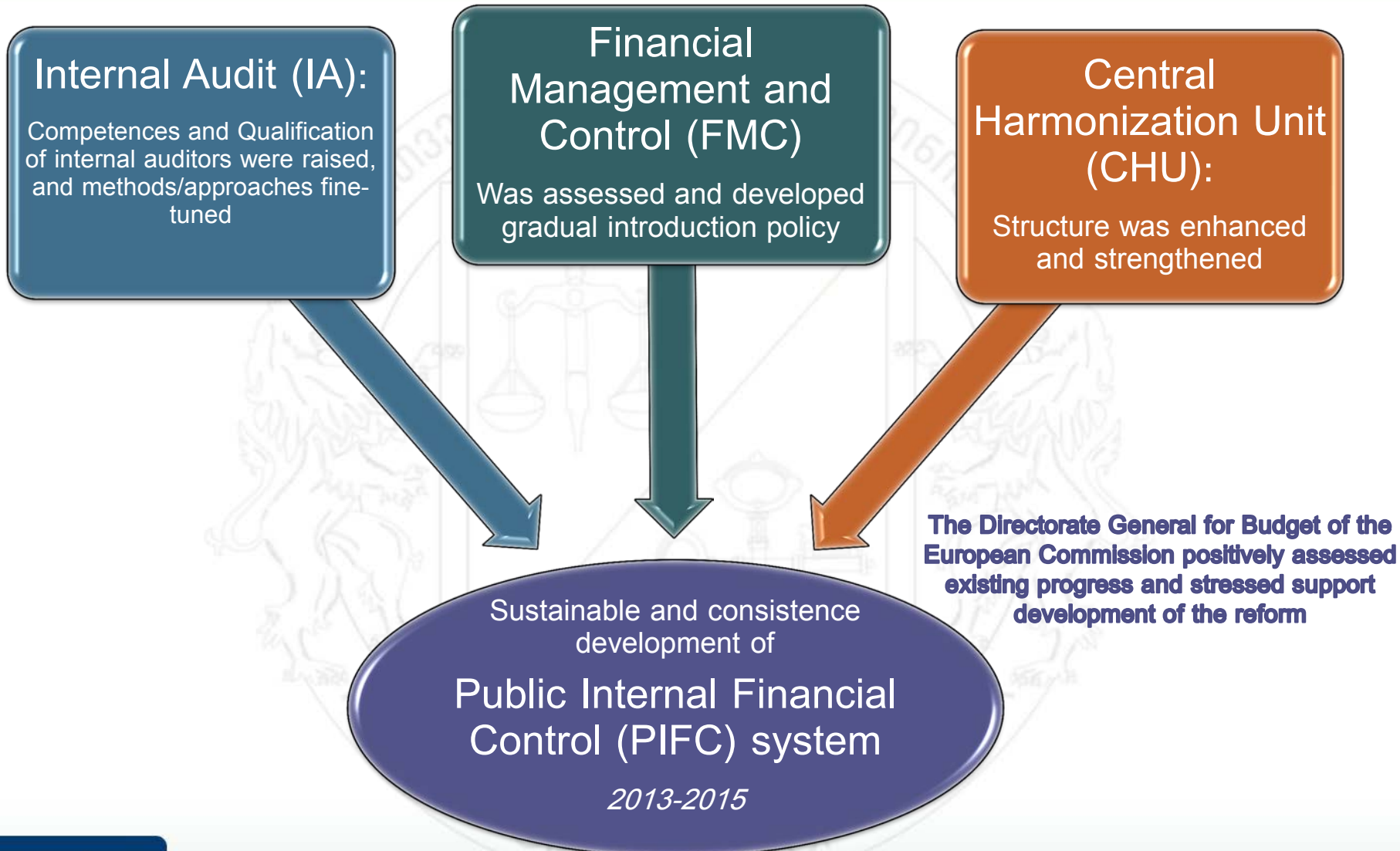
პირადი ავტორი	მეტრი
<a href="#">Fields, Edward</a>	(2)
<a href="#">Atrill, Peter</a>	(1)
<a href="#">Bandy, Gary</a>	(1)
<a href="#">Bauer, Ralph</a>	(1)
<a href="#">Bergmann, Andreas</a>	(1)

თემის საგანი	მეტრი
<a href="#">Accounting</a>	(24)
<a href="#">ბუღალტერია</a>	(17)
<a href="#">Finance, Public</a>	(7)
<a href="#">ფინანსები, საზოგადოება</a>	(7)
<a href="#">ფინანსები</a>	(6)

სერვის სათაური	მეტრი
<a href="#">Barron's business guides</a>	(1)
<a href="#">Cambridge studies in American literature and culture : 136</a>	(1)
<a href="#">Penguin reference</a>	(1)

- College accounting. Chapters 1-28**  
*Koerber, Kenneth A.*  
Book (c1993.)  
გაერთიანებული კატალოგი-ზე ხელმისაწვდომია 0 / 2 ასლი-დან.
- Financial accounting**  
*Needles, Belverd F.*  
Book (c2007.)  
შენახვის შიფრი: 657 N 34  
გაერთიანებული კატალოგი-ზე ხელმისაწვდომია 2 / 2 ასლი-დან.  
ფინანსთა სამინისტროს აკადემია-ზე ხელმისაწვდომია 2 / 2 ასლი-დან.
- Accounting and financial fundamentals for nonfinancial executives**  
*Rachlin, Robert, 1937-*  
Book (c1996.)  
შენახვის შიფრი: 657.024'658 R 12  
გაერთიანებული კატალოგი-ზე ხელმისაწვდომია 2 / 2 ასლი-დან.  
ფინანსთა სამინისტროს აკადემია-ზე ხელმისაწვდომია 2 / 2 ასლი-დან.
- Introduction to financial accounting : working papers**

# Achievements in Public Internal Financial Control (PIFC)







## Internal Audit (IA):

Competences and Qualification of internal auditors were raised, and methods/approaches fine-tuned

### ☐ Trainings and Professional Development

- ✓ From 2012, **165 internal auditors** from different institutions attended the obligatory course in **Internal Audit Basics**, organized in the Academy of the Ministry of Finance. In addition, in 2015, with the coordination of the Ministry of Finance above mentioned course was also provided to the internal auditors of the local government.
- ✓ Internal auditors from different organizations attended different advanced trainings in: cycle of audit; Performance audit; Risk assessment; fraud and corruption prevention; system-based audit; IT audit; Process analysis; auditing human resource management, Procurement, Information Management and Corporate Governance.
- ✓ 21 practitioners in internal auditing were trained as a trainers. Already **6 of them are acting trainers**. Existence of the pool of local trainers ensures continuous delivery of internal audit trainings;

### ☐ Implement Theoretical knowledge into practice

- ✓ In **3 Ministries**, pilot risk assessment project were organized, which is crucial for strategic and annual planning. **Sharing the experience of these ministries had good results, as other ministries started to use this approach widely.**
- ✓ Different pilot audits were conducted in 6 different ministries: **5 system-based audit, 1 IT audit, 1 Compliance/Financial audit.** Until 2015 will be conducted **2 performance and 1 financial audits;**

### ☐ Improved methodological documents

- ✓ **Internal audit methodology and system-based audit guidelines** were improved and created according to the EU best practice, were shared among all counterparts; in addition, template of Internal Audit Annual Plan, Internal Audit Charter and etc. has been developed.

# Achievements in Public Internal Financial Control (PIFC)



## Financial Management and Control (FMC)

Was assessed and developed gradual introduction policy

- ✓ In **3 different ministries FMC system was positively assessed** (Ministry of Finance, Ministry of Defense, Ministry of Justice) by the experts in 2013, but there was stressed potential areas of improvement.
- ✓ In addition, 2014-2015 OECD/SIGMA **conducted Gap Analysis** and was created gradual implementation plan of FMC system.
- ✓ Accordingly, Financial Management and Control system implementation instructions have been developed, envisaging 3 stage implementation process. By virtue of this instruction, **4 pilot ministries** were selected to implement the first stage.

## Central Harmonization Unit (CHU):

Structure was enhanced and strengthened

- ✓ Public Internal Control Department was established in the Ministry of Finance of Georgia, which is fulfilling the responsibilities of the CHU secretariat. After the amendments to the law of Georgia on “Public Internal Financial Control”, the CHU function will be given to this department.
- ✓ Additional human capacity was build;

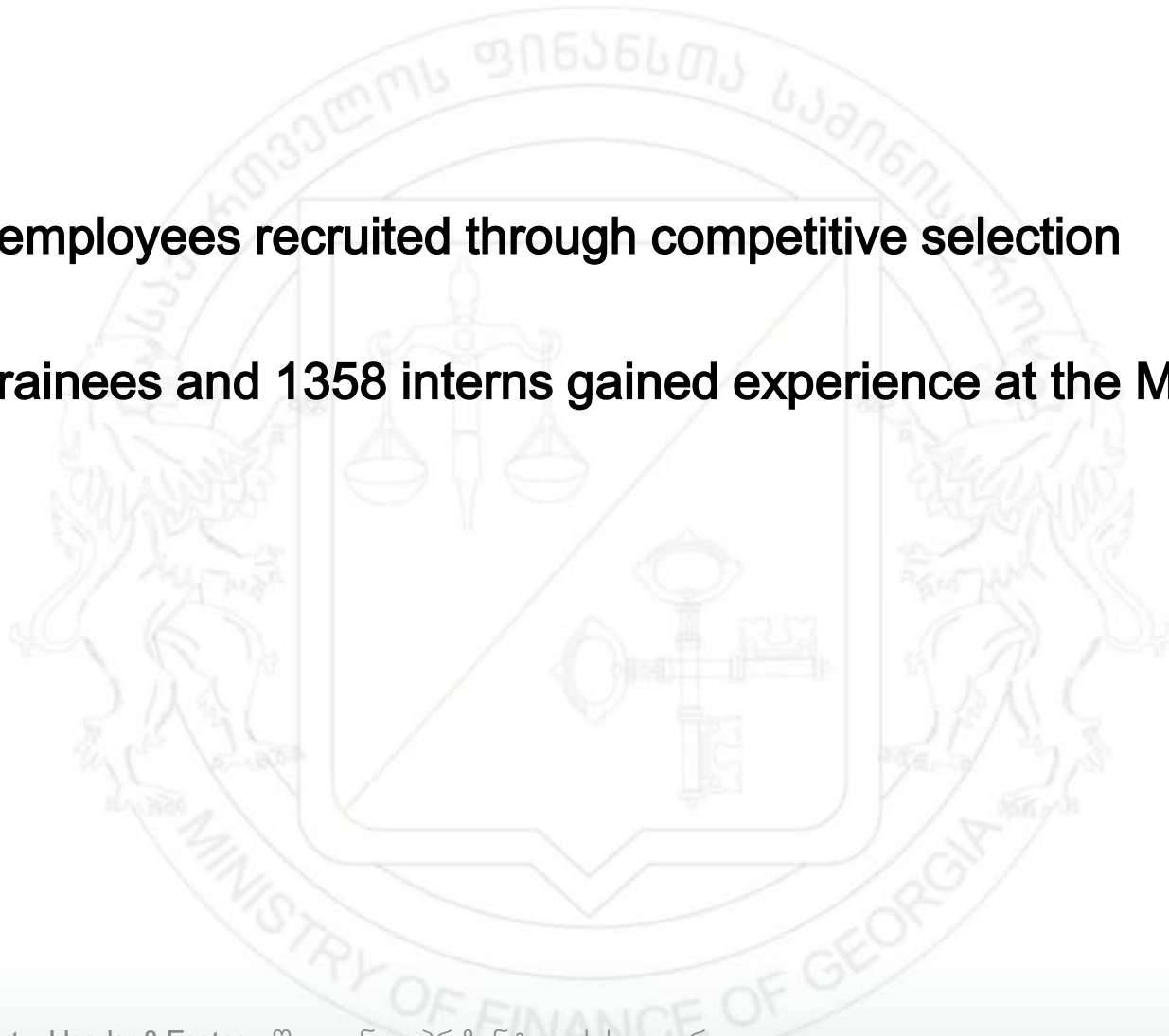


- ❑ Job analyzes were implemented and Job Descriptions were defined on 274 positions
- ❑ Employee motivation and satisfaction survey was held twice, the recommendations were presented to the senior management of the Ministry and was implemented a number of measures to increase staff motivation
- ❑ Orientation Program was created for new employees and interns of the central office of MOF
- ❑ MOF employee Ethic Code was developed and approved
- ❑ Adaptation plan was developed for civil servants appointed for a probationary period
- ❑ Business processes were described for the Central Office of MOF. The special Portal was created with the help of LEPL - Financial Analytical Service
- ❑ The new rules of interns selection was refined and monitoring and evaluation mechanism was created to improve the effectiveness of internship processes in Central Office of MOF
- ❑ The experience-sharing mechanism was established in the Central Office of MOF to improve the training effectiveness process

# Competition, trainee program and internship in the Ministry of Finance of Georgia 2013-2015



- ❑ 2588 employees recruited through competitive selection
- ❑ 1583 trainees and 1358 interns gained experience at the MOF





## For Transparency of Operation, Active Engagement of General Public in Governance, Constant Dialogue and Interaction with General Public Ministry of Finance of Georgia:

- ❑ Pursues permanent communication with businesses; Entrepreneurs participate in the decision-making process; Over 30 public disclosure meetings with businesses have been held in various formats within the last 3 years;
- ❑ Meetings have been held with target groups for exchanging information on amendments made to legislation for the liberalization of the Tax Code;
- ❑ Advisory Panel supports the Minister of Finance in the following composition: freelance experts, sector specialists, NGOs and researchers.



- ❑ Meetings are held with mass media in various formats
- ❑ Traditional media tours are held. This type of interaction enables journalists to get exposed with the operation of Customs Check Points, Economic Clearance Zones and Service Centers. Such media tours have been held at Sarpi, Red Bridge and Kazbegi Customs Check Points, Economic Clearance Zones of Tbilisi and Batumi, Kutaisi Service Center of the Service Department of GRS.
- ❑ Seminar has been held by the Ministry of Finance for mass media with support of donor agencies. Journalists were thus exposed to implemented and current reforms of the Ministry of Finance.



- ❑ Public Interaction Day has been institutionalized since March 2013 to let Minister hear concerns of the citizens of Georgia
- ❑ Official website of the Ministry of Finance has been updated and any information on the performance of the Ministry is thus made publicly available
- ❑ Public meetings are now practiced at the Ministry of Finance. Since its launch over 5000 citizens have thus been served
  - ✓ *Consultations have been rendered to general public on the following matters:*
    - *Competence of the Central Office of the Ministry of Finance, its subordinated institutions and legal entities of public law; Principles of their operation and available services;*
    - *Dispute resolution within the system of the Ministry of Finance;*
    - *Administration of tax arears;*
    - *Debt security measures;*
    - *Essential amendments to tax and customs legislation;*
    - *Performance under financial liabilities of the state;*
    - *Reference to relevant, competent government agencies and clarifications on available services.*
- ❑ E-Bulletin is regularly published on the developments within the Ministry of Finance

## Participation in Social Projects

- ❑ Memorandum of Cooperation has been concluded with Blood Donation Bank at the Central Hospital for Children Named after Mikheil Iashvili. employees of the Ministry of Finance system institutions permanently donate blood for gratis
- ❑ Ministry of Finance employees are actively engaged in the solidarity actions. 9121 GEL is regularly donated to the Solidarity Fund every single month by over 3000 employees of the Ministry of Finance
- ❑ It is worth noting that Ministry of Finance was awarded a prize for Outstanding Support of the Solidarity Fund.



## Participation in Social Projects

- ❑ Amendment have been made and enforced to the Tax Code in support of charity
- ❑ Service Agency of the Ministry of Finance permanently holds charity events for the elderly, households with multiple children, disabled and homeless children. (Support has been rendered to Caritas Foundation, Charity Foundation My Home, Sparrows Transition Centre for Children, Day Care Centre of Hope and Rainbow Rehabilitation Centre)



## Cooperation with Higher Education Institutions

- ❑ Memorandums of Cooperation have been concluded with Tbilisi State University Named after Ivane Javakhishvili, Caucasus University and Open University
  - ✓ Within the referred MOCs Ministry of Finance has committed itself to offering internships and practical trainings of students admitted to Economics, Business and Law Departments
  - ✓ Students of various higher education institutions have served as interns at the Central Office of the Ministry of Finance in 2014-2015 and practical trainings were offered to 242 students of Tbilisi State University in 2013-2015.
- ❑ Ministry of Finance is one of the founders of the University of Administrative Studies in Georgia. It is worth noting that international accreditation was granted this year to the master's degree program in public administration offered by the referred university (Founders of the University are the Tbilisi State University Named after Ivane Javakhishvili and Speyer University of Administration Studies of Germany).
- ❑ Series of Public Lectures were delivered by H.E. Nodar Khaduri, Minister of Finance and Professor of Tbilisi State University Named after Ivane Javakhishvili at the following universities (Georgian University Named after St. Andrew the First Named of the Patriarchy of Georgia, Tbilisi State University Named after Ivane Javakhishvili, Caucasus University, Open University, International School of Economics at TSU)



**Thank you!**