



REVENUE
SERVICE

Gambling Business in Georgia



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Background

- Georgia Revenue Service (Joint Tax and Customs Administration) is the oversight agency which issues permits, regulates and supervises the conduct of gaming
- Georgian Gambling Legislation is based on two basic principles:
 - ✓ Ensuring that gaming is conducted in a fair and open way
 - ✓ Protecting children and other vulnerable persons from being harmed or exploited by gambling



Gambling Business in Georgia

- There are couple of choices for starting Gambling Business in Georgia:
 - ✓ **Casino**
 - ✓ **Slot Machines**
 - ✓ **Table Games**
 - ✓ **Bookmaker**
 - ✓ **Bingo**
 - ✓ **Lotto**
 - ✓ **Promotional Drawing Game**



Permits

Permits are issued electronically. No need to visit Tax department for providing documents and/or receiving permits

- **Casino, Slot Machines, Bookmaker, Bingo, Lotto** permits are issued for **5 years**
- **Promotional Drawing Game Permit** is issued for **1 year**
- **Table Games Permit:**
 - ✓ Table Games Permits have been recently introduced to Georgian market, due to the increasing interest to Texas Hold'em Poker
 - ✓ Companies possessing Casino and Slot Machine Club permits in TBILISI, are allowed to acquire **Table Game Permit**
 - ✓ **Table Game Permits** are issued for a period of time until casino's or/and slot machines permits are valid
 - ✓ Tbilisi Casino Permit holders are allowed to open **3 Table Game Clubs** in any part of Georgia FOR FREE
 - ✓ Tbilisi Slot Machine Permit holders are allowed to open **1 Table Game Club** in any part of Georgia FOR FREE
 - ✓ Each following Gaming Club: 10 000 – 50 000 GEL



Fees & Taxation

Annual fee for PERMIT varies according to the type of permit and location of your business:

Casino:

Annual, fixed, state fee is levied, which is paid each year in equal payments, in the beginning of the year

Annual Fees:

- **5 000 000 GEL** (with exceptions)

These exceptions vary according to the location of the company:

- ✓ *Batumi, Kobuleti, Borjomi, Bazaleti Lake – 250 000 GEL*
- ✓ *Akhaltzikhe – 100 000 GEL*

Some of the regions are totally exempt from ANNUAL STATE FEES:

- ✓ *Gudauri, Khazbegi, Bakuriani, Signagi and Tskaltubo – are totally exempt from annual fees with no conditions*
- ✓ *Batumi, Kobuleti, Khelvachauri, Anaklia and Ganmukhuri are exempt from an annual fee on a condition that 100 or 80 room, newly built hotels within Casino will be built*



Exempt from annual fee + 100 Room Hotel
Exempt from annual fee + 80 Room Hotel
Exempt from annual fee with no conditions





Casino

Quarterly fees:

For each Casino Table - 15 000 - 30 000 GEL (Casino Tables are not subject to quarterly fees during tournaments)

Taxation:

***Personal income tax (salaries) – 20%; Property tax – up to 1%; Corporate Income Tax– 15%;
W/H - only during tournament – 20%***



Slot Machines

Annual State Fees:

50 000 – 1 000 000 GEL (Tbilisi – 1 000 000 GEL)

In case of locating Slot Machines within Casino in TBILISI: 100 000 GEL

Quarterly Fees:

For each Slot Machine: 1500 – 3000 GEL

Taxation:

Personal income tax (salaries)– 20%; Property tax – up to 1%;



Table Games

Annual state fees:

- ✓ Casino Permit holders are allowed to open 3 Gaming Clubs in any part of Georgia FOR FREE
- ✓ Gaming Machine Permit holders are allowed to open 1 Gaming Club in any part of Georgia FOR FREE
- ✓ Each following Gaming Club: 10 000 – 50 000 GEL

Quarterly fees:

For each Table in Table Game: 3 000 – 10 000 GEL

Taxation:

Personal income tax (salaries)– 20%; withholding liability- only during tournament – 20%; Property tax – up to 1%;



Bookmaker

Annual state fees: 30 000 - 300 000 GEL

Quarter fees: Land Based - Free

Land based Taxation:

Personal income tax (salaries) – 20%; Property tax – up to 1%;

Bingo/Lotto

Annual state fees: 15 000 GEL

Quarterly fees: Land Based - Free

Land Based Taxation:

Personal income tax (salaries)– 20%; Corporate Income Tax– 15%; withholding liability – 20%; Property tax – up to 1%;





Promotional Drawing Game

Annual fees: 15 000 GEL

Quarterly fees:

Land Based: 10% of Prize Fund

Land based taxation:

Personal income tax (salaries) – 20%; Corporate Income Tax– 15%; withholding liability – 20%; Property tax – up to 1%;



Time for issuing permit

- **Permit is issued in 20 days (for free)**
- **Though, if a company requires swift services, following Service Fees are added:**
- **Issuing permit in 10 days – 400 GEL**
- **Issuing permit in 5 days – 800 GEL**
- **Issuing permit in 1 day – 2000 GEL**



New approaches and recent changes:

According to recent changes in legislation:

- 1. Slot Machines, Table Games & Bookmakers are not taxed on CIT (Corporate Income Tax – 15%)(Except iGaming)***
 - ✓ *By introducing fixed and stable Annual Fee, we eliminated always questionable 15% CIT*
 - ✓ *Business feels more secure*
 - ✓ *Budget does not face risk of loss*



According to recent changes in legislation:

2. **W/H (Withholding liability): *Payouts are not taxed* for Casino, Slot Machine Clubs, Table Games Clubs and Bookmakers**

Only if a winner requests withholding tax from a company, a company is obliged to withhold the tax

*This exemption is not active during Table Game Tournaments in Casinos:
Example: if a player won 10 000 GEL in CASINO, and 10 000 GEL in the tournament, Casino pays out TOTAL 10000 GEL, though withholds 20% on the payout of tournament (8 000%)*





According to recent changes in legislation:

3. Property tax for permit as an intangible asset has been eliminated

Before these changes, permit owner was obligated to pay property tax for a permit as an intangible asset up to 1%

Example: As Casino permit is issued for 5 years, Casino Permit Holder had to pay 5 000 000 GEL annually, which summed up to 25 000 000 GEL in 5 years. According to past legislation, permit holder was obliged to pay Property Tax on the permit “up to 1%” of 25 000 000 GEL in the beginning of first year.

Also, if permit holder revoked the permit in year or two, the total paid amount for property tax was not re-paid.

4. Table Game Clubs, Slot Machine Clubs and Bookmakers are freed from an obligation to install Cash-registers for Gambling and Gainful Game purposes only. All refreshments, entertainments, and other services require cash-registers



iGaming permits

Separate permit for organizing iGaming is not issued, it is only issued to the land-based permit holders (in Georgia).

Gambling and gainful games may be arranged by internet for:

- ✓ *Casino*
- ✓ *Slot machines*
- ✓ *Bookmaker*
- ✓ *Promotional Drawing Game*

A company in Georgia is prohibited from providing iGaming services to an offshore company





iGaming Fees

- ***iGaming permit holders pay quarterly fees. Quarterly fees are determined by Local Administrations, which vary from 30 000 to 60 000 GEL***
- ***Basic iGaming language sites are: Georgian, English, Russian. Also other languages are operational***
- ***Live stream on line gaming from Casinos are permitted***



iGaming Taxation

- **Casino:** *Personal income tax (salaries)– 20%, Corporate Income Tax – 15%, property tax – up to 1%, withholding liability– only during tournament -20%*
- **Slot Machines:** *Personal income tax (salaries) – 20%, Corporate Income Tax – 15%, Property tax – up to 1%.*
- **Bookmakers:** *5% of the turnover (gross revenue). Personal income tax (salaries) –20%; property tax–up to 1%.*
- **Promotional Drawing Game:** *personal income tax (salaries)– 20%; property tax – up to 1%, Corporate Income Tax– 15%; withholding liability - 20%*



*Year of 2013 and 2014
Statistics for Annual State Fees*

Annual fees have increased approx 200%

Number of operating Casino permits:

- 3 – in Tbilisi (15 000 000 GEL)**
- 4 – in Batumi (1 000 000 GEL)**
- 2 – in Batumi newly built hotel (FREE)**
- 4 – in Tskaltubo (FREE)**
- 1 – Khazbegi (FREE)**



Year of 2009 and 2012

Statistics for Annual State Fees (Casino)

		Quantity	Annual fees	Quantity	Annual fees	Quantity	Annual fees	Quantity	Annual fees
Year		2009		2010		2011		2012	
Tbilisi		3	15000000	2	10000000	2	10000000	3	15000000
Batumi		3	750000	2	500000	2	500000	2	500000
	newly built hotel	-	-	1	0	2	0	2	0

Thank You

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