



TBILISI FREE ZONE
INVESTOR'S GUIDE



WHY GEORGIA?

Georgia has earned its reputation as a pre-eminent commercial center with an innovative, dynamic and entrepreneurial business culture. Strategically located at the crossroads of trade and commerce between East and West, Georgia is ideally positioned to access markets of Central Asia and the Middle East, as well as Europe and the CIS countries. Its time zone allows Georgia to connect to the markets from America all the way to Asia with equal convenience. Being on the bridge between Europe and Asia, economy of Georgia is highly integrated with international markets. Owing to the DCFTA with EU, Georgia enjoys direct access to nearly one billion market.

NOTABLE AWARDS:

- The 2015 World Bank “Doing Business Report” ranked Georgia number 15 in ease of doing business.
- The Heritage Foundation rated Georgia 22nd in a list of the freest economies in the world.
- Georgia placed 48th among 168 countries in the 2015 Corruption Perceptions Index (CPI) published by Transparency International, making it the top country in the post-Soviet region (except for the Baltic States) in fighting corruption.
- Georgia is a steady BB by Standard&Poor’s and Fitch Ratings and Ba3 Positive by Moody’s ratings.

ADVANTAGES OF GEORGIA

- **STRATEGIC LOCATION**

Easy geographic access to the growing economies of the CIS countries, as well as the European and Middle Eastern markets.

- **PREFERENTIAL TRADE REGIMES**

Access to almost 1 billion market without customs duty due to the Deep and Comprehensive Free Trade Agreement with EU, FTA with CIS countries and Turkey; General Schemes of Preference with US, Canada, Japan, Norway and Switzerland.

- **RELIABLE INFRASTRUCTURE**

Well-connected internationally via land, sea and air due to highly developed transport and communications network.

- **COMPETITIVE LABOR**

Skilled labor at competitive wages, combined with a flexible Labor Code and absence of the Social Tax.

- **LOW TAXES**

Few taxes at favorable rates, including flat tax rates on personal income (20%), and corporate profits (15%).

- **CORRUPTION FREE ENVIRONMENT**

Number 48th among 168 countries in the Corruption Perceptions Index (CPI) 2015 according to the Transparency International.

- **STABLE BANKING SECTOR**

Banking sector in full private ownership and growing rapidly.

TFZ OVERVIEW

Tbilisi Free Zone (TFZ), the only free industrial zone of East Georgia, is situated in the capital city of Tbilisi. TFZ occupies 17.0 ha land, which is divided into 28 individual plots. The entire campus enjoys direct access to the largest labor pool of Georgia, as well as immediate proximity to the main cargo transportation highway, Tbilisi International Airport (30 km) and the city center (17 km).

The land plots may be leased individually or collectively for up to 50 years. Its unique configuration gives the opportunity to merge several land plots without restricting access to transportation and communications.

TFZ seeks to attract international tenant companies to locate their export-oriented businesses in the bonded tax-free area. TFZ is prepared to welcome companies from diverse fields of business including: technology, trading and services, light industrial manufacturing, logistics, warehousing and others.

TAX ADVANTAGES


(The exemptions apply in specific cases defined by the Tax code and FIZ Law of Georgia)

- Your income as a Free Industrial Zone Enterprise is exempt from the Corporate Income Tax.
- Interest and Dividends paid by a Free Industrial Zone Enterprise is not taxed and is not included in the taxable income base of the receiver.
- Trade between the Free Industrial Zone Enterprises are exempted from the VAT.
- Free Industrial Zone Enterprises have no obligation to administer personal income tax of the employees.
- Free Industrial Zone Enterprises are not liable to assess and pay Reverse Charge VAT (RCVAT).
- Export is exempted from VAT with the entitlement to tax credit.
- Property, including land, located in a Free Industrial Zone is exempted from property tax.
- Trade between a Free Industrial Zone Enterprise and a Georgian company is taxed at 4% of the invoice value.

In result, companies make significant tax savings on:

- Corporate tax - 15% of the taxable profit base.
- Property tax - 1% of the average book value of property.
- Import tax - up to 18% of import value.
- Value Added Tax (VAT) - 18%
- Dividend Tax – 5%

OPERATIONAL ADVANTAGES

- Reliable Infrastructure.
 - Low rental prices.
 - Eligibility to national certificate of origin.
 - Easy company set-up.
 - Turn-key solutions.
 - Low tariffs on electricity.
 - Proximity to the largest labor pool in Georgia.
 - Low licensing costs and simplified regulatory procedures.
 - Low costs of utilities and communications.
 - Facility management service.
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WHO IS ELIGIBLE

FIZ Enterprise may be established by a local and/or foreign individual as well as a local and/or foreign legal entity. FIZ Enterprise will be registered at Entrepreneurial and Non-Entrepreneurial Legal Entities Registry by the ordinary registration procedures which takes ONE business day upon submission of following documents.

ESTABLISHMENT OF FIZ ENTERPRISE BY FOREIGN LEGAL ENTITY

Documents for registration of a FIZ Enterprise by foreign legal entity:

- Notarized copy of Articles of association of foreign company.
- Extract about foreign legal entity issued by the relevant foreign authority.
- Notarized resolution of a foreign entity to establish a FIZ Enterprise in Georgia.
- Notarized Power of Attorney issued by a foreign entity in connection with establishment of FIZ Enterprise in Georgia.
- Notarized consent of a person to be appointed as a director of FIZ Enterprise.
- Copy of I.D. document of a person to be registered as a director of FIZ Enterprise.
- Notarized Articles of Association of FIZ Company.
- Consent about registering legal address of FIZ Enterprise on the territory of FIZ (such consent is issued by the administrator of FIZ).

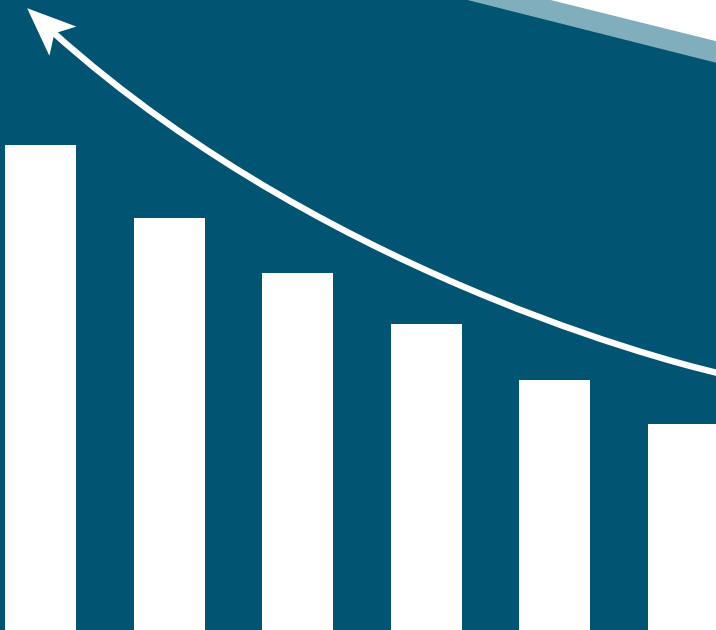
*Documents issued/prepared outside Georgia shall be legalized or certified by apostille.
Documents prepared in Georgia shall be certified by Georgian notary.*

ESTABLISHMENT OF FIZ ENTERPRISE BY FOREIGN CITIZEN

Documents for registration of a FIZ Enterprise by foreign citizen:

- Copy of international passport of a founder.
- Minutes of meeting about establishing FIZ Enterprise in Georgia.
- Consent of a person to be appointed as a director of FIZ Company.
- Copy of I.D. document of a founding partner(s) of FIZ Enterprise.
- Copy of I.D. document of a person to be registered as a director of FIZ Enterprise.
- Articles of Association of FIZ Company.
- Consent about registering legal address of FIZ Enterprise on the territory of FIZ (such consent is issued by the administrator of FIZ).

*Documents issued/prepared outside Georgia shall be legalized or certified by apostille.
Documents prepared in Georgia shall be certified by Georgian notary.*



ESTABLISHMENT OF FIZ ENTERPRISE BY GEORGIAN LEGAL ENTITY

Documents for registration of a FIZ Enterprise by a legal entity/entities registered under the laws of Georgia (Georgian incorporated legal entity/entities):

- Resolution of a parent company to establish a FIZ Enterprise.
- Consent of a person to be appointed as a director of FIZ Enterprise.
- Articles of Association of FIZ Enterprise.
- Copy of I.D. document of a person to be registered as a director of FIZ Enterprise.
- Consent about registering legal address of FIZ Enterprise on the territory of FIZ (such consent is issued by the administrator of FIZ).

The aforementioned documents might be notarized or signed at the Entrepreneurial and Non-Entrepreneurial Legal Entities Registry without notarization. Power of Attorney granted by a parent company will be required if the aforementioned documents are filed by the authorized representative.

ESTABLISHMENT OF FIZ ENTERPRISE BY GEORGIAN CITIZEN

Documents for registration of a FIZ Enterprise by citizen(s) of Georgia:

- Resolution of a founding partner(s) to establish a FIZ Enterprise.
- Copy of I.D. document of a founding partner(s) of FIZ Enterprise.
- Consent of a person to be appointed as a director of FIZ Enterprise.
- Articles of Association of FIZ Enterprise.
- Copy of I.D. document of a person to be registered as a director of FIZ Enterprise.
- Consent about registering legal address of FIZ Enterprise on the territory of FIZ (such consent is issued by the administrator of FIZ).

The aforementioned documents might be notarized or signed at the Entrepreneurial and Non-Entrepreneurial Legal Entities Registry without notarization. Power of Attorney granted by a parent company will be required if the aforementioned documents are filed by the authorized representative.

GENERAL REGULATIONS

TFZ operates under the laws of Georgia governing free industrial zones, which affords many regulatory incentives for the registered companies. The following activities of a Free Industrial Zone Enterprise (FIZ Enterprise) do not require special licenses/permits:

- Production/processing of food products for new-born babies and toddlers.
- Production/Transmission/Distribution of electricity.
- Distribution/Transportation of natural gas.
- Transit of products subject to veterinary control.
- Operation of dangerous activities.
- Local passenger transportation services.
- International shipments of products subject to international quotas.
- Clinical research and production of pharmacological products (medical products except for narcotic products).
- First and second group pharmacy activities.
- Import of non-iodized salt.

Construction permits are issued by TFZ according to simplified procedures.



LICENSING & FEES

TFZ Enterprises are eligible to conduct the following activities which are subject to the licensing from the TFZ Administrator:

- General Manufacturing License.
- General Trading License.
- Special Trading License (restricted to a certain type of activities).
- IT production/Service License.
- Consulting License.
- General Service License.
- Financial Service License (incl. banking).
- Warehousing License.
- Logistics License.

Companies registered in TFZ are subject to the following fees and commissions:

- Registration Fee.
- Licensing Fee.
- Construction Permit Fee.
- Utilities Connection Fee.
- Lease/Rent Fee.
- Documentary Charges (issuing copy or replacement of the Original license, amendments in the license, etc.).



SUMMARY

Tbilisi Free Zone is the ideal tenancy destination for international and local companies because it combines the benefits of a capital city location and a tax-free environment.





In addition to numerous tax and customs incentives shared by all free industrial zones across the country, TFZ is particularly well-positioned to maximize value to companies with labor- and power-intensive activities. Located in Tbilisi, TFZ enjoys immediate proximity to 80% of the skilled labor pool of Georgia, as well as access to reliable and low-cost electricity.

We extend an invitation to all investors who are planning to start doing business in Tbilisi Free Zone or Georgia in general to visit the Tbilisi Free Zone.

To start your FIZ Enterprise registration process, please visit our website www.tfz.ge and fill in the online application form or download and submit the signed paper copy. Your application will be processed and approval may be granted in ONE business day.



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