

ANNEX XXII

TAXATION

Georgia undertakes to gradually approximate its legislation to the following EU legislation and international instruments within the stipulated timeframes.

Indirect taxation

Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

The provisions of that Directive shall apply, with the exception of:

- VAT scope: Article 2(1)(b) and (2), Articles 3 and 4;
- Territorial scope: all the Title: Articles 5 to 8;
- Taxable persons: Article 9(2);
- Taxable transactions: Article 17 and Articles 20 to 23;
- Place of taxation: Articles 33, 34, 35, 36(2), 37, 40, 41, 42, 43(2), 50, 51, 52 and 57;
- Chargeable event and chargeability of VAT: Articles 67, 68 and 69;
- Taxable amount: intra-community acquisition of goods: Articles 83 and 84;
- Rates: Articles 100, 101 and derogations for certain Member States: Articles 104 to 129;
- Exemptions: Intra-Community transactions: Articles 138 to 142; importations: Article 143(1)(d), 145; exportations: Article 146(1)(b); international transport: Article 149, 150(1); international trade: Articles 162, 164, 165 and 166;
- Deductions: Article 171(1) and Article 172;
- Obligations: Articles 195, 196, 197, 200, 209, 210, 213(2), 214(1) except Article 214(1)(a) and Article 216;
- Invoicing: Article 237;
- Accounting: Articles 243, 245 and 249;
- Returns: Articles 253, 254, 257, 258 and 259;
- Recapitulative statements: Articles 262 to 270;
- Obligations relating to certain importations and exportations: Articles 274 to 280;
- Special schemes: Articles 293, 294 and 344 to 356; special scheme for e-commerce: Articles 357 to 369;
- Derogations for certain Member States: Articles 370 to 396;
- Miscellaneous: Articles 397 to 400;
- Final provisions: Articles 402 to 414.

Timetable: that Directive's provisions, with the exception of the list above, shall be implemented within five years of entry into force of this Agreement.

Georgia retains the right to exempt supply of goods and services that are exempted under Georgian Tax Code at the entry into force of this Agreement.

Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied on manufactured tobacco

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement with the exception of Articles 7(2), 8, 9, 10, 11, 12 14(1), 14(2), 14(4), 18 and 19 of that Directive for which a proposal for a decision of the Association Council on a timetable will be submitted within one year from the entry into force of this Agreement, taking into account the need of Georgia to fight against smuggling and defend its tax revenue.

Council Directive 2007/74/EC of 20 December 2007 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries

The following section of that Directive shall apply:

— Section 3 on quantitative limits

Timetable: those provisions of that Directive shall be implemented within three years of entry into force of this Agreement.

Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages

Timetable: that Directive's provisions shall be implemented within three years of entry into force of this Agreement. Georgia will retain the right to exempt from excise duties spirits produced by individuals in small quantities for home consumption and not intended for marketing.

Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity

Timetable: that Directive's provisions, with the exception of Annex 1 thereto, shall be implemented within five years of entry into force of this Agreement.

Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty

The following Article of that Directive shall apply:

— Article 1

Timetable: those provisions of that Directive shall be implemented within two years of entry into force of this Agreement.

Thirteenth Council Directive 86/560/EEC of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover taxes-Arrangements for the refund of value added tax to taxable persons not established in Community territory

Timetable: that Directive's provisions shall be implemented within three years of entry into force of this Agreement.