**Changes in the Tax Code of Georgia:**

On November 30, 2022, the Tax Code of Georgia was amend and Article 70(2) has added, according to which the bank has obligation to request tax residency data of its customers, i.e. information about In which country they have tax resident status.

**Obligation to fill in self-declaration:**

The bank, as a financial institution, is obliged to collect information about the tax residency of its customers. Considering that the customer is the only one who has complete information about his tax residency status, he/she is obliged to provide the bank with complete, up-to-date and accurate information.

**What does tax residency mean?**

The definition of tax residency varies by jurisdiction. You can find relevant information on this issue on the website of the Organization for Economic Cooperation and Development (OECD): <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>

This section provides an overview of the tax residency rules applicable in jurisdictions that are committed to automatically exchanging information under the CRS, as provided to the OECD Secretariat by those jurisdictions. Tax residence is determined under the domestic tax laws of each jurisdiction. There might be situations where a person qualifies as a tax resident under the tax residence rules of more than one jurisdiction, and therefore is a tax resident in more than one jurisdiction. For the purposes of the CRS, Financial Institutions must ensure that Account Holders (or Controlling Persons) disclose all tax residences in the required self-certification. For the purposes of the CRS, the Account Holder (or Controlling Person) must disclose all its tax residences in the required self-certification. Kindly note, that the mere right to reside in a given jurisdiction (on permanent or temporary basis) or the fact of holding citizenship of a given jurisdiction does not automatically mean that a person shall be considered a tax resident in such a jurisdiction or that, upon obtaining residency or citizenship, the tax residency is extinguished in the former jurisdiction(s) of tax residence.

**What does Common Reporting Standard (CRS) mean?**

The common standard of accounts implies - prevention of tax evasion by tax residents of the countries participating in the CRS system and exchange of information about their tax residents between the participating countries.

**What is the purpose of collecting tax residency information?**

According to the CRS (Common Reporting Standard), the bank is obliged to collect and provide information on the tax residency of customers to the Revenue Service.

That is why it is necessary to carry out a self-declaration process in the bank, which means that when opening a new account, investing in new financial products or changing the conditions in any way, the bank asks the customer to confirm the relevant details.

**How you can fill out the self-declaration:**

Through internet banking, you can add the self-declaration downloaded from our website and/or send it from the e-mail address you specified during registration to the e-mail of your branch.

In the declaration, you must indicate:

• Name surname

• Address

• Place of birth

• Date of birth

• Country of tax residence (the country in which customer has a tax payer status)

• Payer Identification Number (TIN)

• Name of the legal entity

• Address

• Registration place

• Registration date

• Country of tax residence (the country in which customer has a tax payer status)

• Payer Identification Number (TIN)

In case of incomplete data, the bank has the right to refuse opening an account or to close existing accounts or to temporarily limit the service until the declaration is completed.

Moreover, the bank is obliged to provide this information to the Revenue Service in case of finding the tax residency of a foreign country.

**Whose information will be send to the Revenue Service:**

The data of persons whose tax residency of a foreign country is recorded in their data shall be transferred to the Revenue Service or in case of not providing the information to the bank, it considers the tax resident of a foreign country based on the information available to it.

Citizens of Georgia are also responsible for filling out the self-declaration, since according to the CRS, financial organizations are obliged to determine the tax residency status of each customer, regardless of their citizenship and location.

However, if the user is only a tax resident of Georgia, the information will not be send to the Revenue Service.

Whereas, if the client is a tax resident of a country other than Georgia, his information will be shared with the Revenue Service.

The customer fills in the tax residency data only once, unless the existing data or status of the person changes and it affects the change of his tax residency.

**What information is provided to the Revenue Service:**

The information provided within the self-declaration form will be transferred to the Revenue Service, also - information on accounts and products in the customer's bank and information related to the user's balance may be transferred to the Revenue Service.

**Which countries/jurisdictions participate in CRS?**

A list of CRS participating countries/jurisdictions with dates of information exchange is available on the Organization for Economic Co-operation and Development (OECD) CRS portal.

Where can a customer find out more information about his tax residency?

Customers can get additional information on these links:

<https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>

<https://www.oecd.org/tax/automatic-exchange/>