Key Legislative Changes of 2026

Legal & Regulatory Newsletter - 2026 Georgia Legislative Update

This document has been prepared by **Nomos Georgia Law Firm** on behalf of the **EBA Legal Committee**.

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Georgia's legislative and regulatory landscape has moved quickly across 2026, spanning tax administration, corporate law, immigration, real estate, and industry-specific regulation. This briefing concentrates the year's most commercially significant developments to date, current as of September 2026, with priority given to the labour migration and work-authorization regime, which has changed materially and repeatedly since January and continues to evolve.

1. Labour Migration & Work Authorization

This is the single most active area of Georgian regulation in 2026, with four successive rounds of change since February. Businesses employing or engaging foreign nationals should treat it as one evolving regime to be monitored continuously, not a series of isolated updates.

The core framework - Government Resolution No. 70 (in force from 1 March 2026), as overhauled by Resolution No. 321

Resolution No. 321 substantially expanded the scope of Resolution No. 70/2026, which governs the grant of the **right to work** to both conventionally employed labour immigrants and self-employed foreigners engaged in trade, services, independent contracting or any other activity carried out for financial gain. Save for defined exemptions, a foreign national may not carry out employed, self-employed or entrepreneurial activity for financial gain in Georgia without first obtaining this right to work - a distinct authorization from residence or visa status, and one commonly confused with it in practice.

New exemptions from standard work authorization

These now cover, among others: holders of special residence permits issued on the written initiative of a Government minister; individuals carrying out short-term professional activity capped at four months per calendar year; persons working for public bodies or state-owned enterprises; employees working fully remotely for a local employer where the role does not require entry into Georgia; individuals servicing a non-resident entity's activity outside Georgia, unless the individual is otherwise required to hold a residence permit to remain in the country lawfully; senior managers, directors and audit-committee members of category I-III enterprises or public-interest entities under the Law on Accounting, Reporting and Auditing; persons engaged in the conservation or restoration of cultural heritage monuments; and holders of temporary stay rights under Article 60 of the Law on the Legal Status of Aliens - the last of these was added to the exemption list with effect from **1 September 2026**.

Procedure and deadlines

- short-term professional activity of up to four months per year must be pre-registered, free of charge, through the electronic system at labourmigration.moh.gov.ge, with prescribed information on the employer, the responsible contact person and the individual concerned;
- employers planning to hire more than five foreign nationals in a calendar year, or where foreign staff will exceed 5% of total headcount, must agree an annual quota with the Agency at least ten working days before applying for work authorization, supported by Revenue Service confirmation that the relevant turnover thresholds are met (**50,000 GEL** per foreign national generally, or **35,000 GEL** for education/medical employers); under-utilized quotas may be reduced by the Agency in the following year;

- standard decisions on work-authorization applications must issue within **30 calendar days** of a complete submission, or **10 working days** under expedited review; decisions are served electronically and are deemed received on dispatch, with a standard right of administrative appeal;
- applicants' passports must have at least six months' validity remaining at the time of application; self-employed applicants must attend a mandatory video interview, in Georgian or English with interpretation available, and confirm their application at its conclusion;
- applications that fall entirely outside the scope of the Law on Labour Migration may now be left unreviewed by the Agency, without a formal decision and without refund of the application fee.

Residence permits - Resolution No. 520, as amended by Resolution No. 317 (adopted 9 July 2026)

Foreign nationals carrying out the activities defined in Article 1(4)-(5) of the Law on Labour Migration must now submit supporting documentary evidence of that activity with their residence permit application. Where the standard turnover certificate required from the sponsoring employer or founded enterprise cannot objectively be obtained, applicants may substitute **any other credible evidence** confirming the employer meets the same 50,000 GEL / 35,000 GEL annual turnover thresholds per foreign employee. A new concession exempts very young companies - in existence for no more than three months and employing no more than three foreign nationals - from the turnover certificate requirement altogether, provided the company instead submits a certificate confirming its foreign-employee headcount; the resulting permit is, however, limited to a **six-month term**. Applicants relying on the "public interest entity" exemption must now also submit official confirmation of that categorization, sourced from the Service for Accounting, Reporting and Auditing Supervision based on reporting data.

Two further amendments in force from 1 September 2026

The Law on Labour Migration itself was amended in two respects, both now in force. First, appeal of an administrative fine or other sanction **no longer suspends or delays either the consideration of deportation or the enforcement of a deportation decision already issued** - a disputed fine can no longer be used to buy time against removal, and the two processes now run in parallel rather than sequentially. Second, as noted above, holders of Article 60 temporary-stay rights under the Law on the Legal Status of Aliens and Stateless Persons are formally excluded from the Law's scope and no longer bear its obligations, including the work-authorization requirement; that Article 60 status is generally evidenced by a temporary identity card issued to defined categories of aliens.

Both changes sit within a wider formalization of Georgia's migration enforcement architecture that has developed throughout 2026 alongside the work-authorization reforms above, and businesses employing foreign staff, together with their legal representatives, should treat the two strands - work authorization on one hand, and enforcement/removal procedure on the other - as a single evolving regime rather than separate developments.

2. Key Legislative & Regulatory Updates

Tax administration and compliance

- **International controlled transactions:** a new annex to both the monthly and annual corporate income tax returns discloses transactions with related parties abroad or with residents of preferentially-taxed jurisdictions under Articles 126-129[1] of the Tax Code, once the aggregate value exceeds **500,000 GEL** in the relevant period. The threshold captures free-of-charge transactions valued at market price and outstanding intercompany payables or receivables, and taxpayers must state whether transfer pricing documentation has been prepared, is in preparation, or does not exist (Ministerial Order No. 52, applies to 2025 and subsequent reporting periods, with some ambiguity on the precise 2025 transitional treatment).
- **Excise write-offs simplified:** domestic manufacturers of excise-stamped goods may destroy stock on-site, with the tax authority inspecting a minimum 2% sample - drawn from the largest packaging unit, and at least 2% of the smallest units within it. Excise stamps on goods written off this way are treated as utilized and are not subject to further excise taxation; a transitional rule extends the same treatment

to fully destroyed, Georgian-manufactured goods written off between January and August 2025 (Ministerial Orders No. 33/34).

- **VAT registration relief window widened:** a taxpayer that voluntarily discloses unregistered VAT-liable activity can now secure penalty relief if the relevant return is filed either before a violation protocol issues, as before, or alternatively by the date the Revenue Service decides on relief - provided the statutory filing deadline (the 15th of the following month) was respected. Other relief conditions - self-disclosure, no outstanding recognized tax debt, disclosure of the relevant turnover - are unchanged (Revenue Service Order No. 2243).
- **Micro, small business and fixed tax status relaxed:** missing the 15-day deadline to apply for small business status after exceeding 30,000 GEL in annual income, or after taking on staff, no longer causes automatic loss of micro business status and blanket retroactive standard taxation (precise treatment of the pre-application period depends on one of three defined scenarios). Small business status now takes effect from the date of application rather than the first day of the following month; document retention for micro business taxpayers falls from six to three years; fixed tax payer status is now conditional on individual entrepreneur registration and lapses automatically if that registration is cancelled; and all three statuses are cancelled automatically on the individual's death (Ministerial Order No. 38).
- **Refunds for tax-privileged individuals:** individuals exempt from personal income tax under Article 82(2) - war veterans, single parents, adoptive and foster parents, persons with disabilities, residents of high-mountain settlements, among others - may now have withholding tax already deducted by their employer refunded directly by the tax authority, by registering and filing Annex No. II-08-7; refunds run from the month following application, by the 20th of each month (Ministerial Order No. 37).
- **Factoring company data access:** a new Article 70(37) of the Tax Code empowers the tax authority to request confidential client information from factoring companies and platforms during a tax audit, or on request of a competent foreign authority under an international treaty, generally on the basis of a court order, from **1 January 2027**. The change is linked to a planned wider reform of Georgia's factoring legislation.

Real estate and individual taxation

- **VAT base for mixed barter involving real estate:** where a developer receives land from an individual in exchange for a mix of constructed space and a cash top-up, and the transaction is at arm's length between economically independent parties with no evidence of price manipulation, the VAT taxable base may now be calculated using the parties' actual agreed price, where that price exceeds the independent appraiser's market valuation of the land. Where the agreed price does not exceed the appraised value, the prior appraisal-based method continues to apply. Example: land appraised at 600,000 GEL, exchanged under an arrangement with an agreed economic value of 1,100,000 GEL (700,000 GEL cash plus constructed units); the previous rule produced a negative, and therefore nil, taxable base, while the new rule produces a taxable base of 400,000 GEL (Public Ruling No. 195, amended, in force from 19 May 2026).
- **Disposals of real-estate-related assets by individuals:** new Public Ruling No. 143 clarifies the income tax treatment where an individual disposes of an asset connected with real estate. Residential property held for more than two years is fully exempt from tax on sale; if sold within two years of ownership, a 5% capital gains tax applies, and, notably, this two-year test applies regardless of whether the property was used in economic activity - a restriction that, for other categories of asset, does apply. Given the fact-specific nature of the guidance, case-specific advice is recommended before finalizing real estate disposal structures involving individual counterparties.

Industry-specific regulation

- **Mandatory travel insurance for tourists:** since 1 January 2026, foreign tourists entering Georgia must hold valid health and accident insurance covering their full stay, with minimum coverage of **30,000 GEL**, in Georgian or English, paper or electronic; diplomatic and certain treaty-based categories are exempt. Entry without a compliant policy can result in a fine in the region of 300 to 1,000 GEL or refusal of entry.

Hotels, tour operators and travel agencies should build insurance verification into booking and check-in procedures and confirm partner insurance products meet the statutory minimum.

- **Vehicle excise duty substantially increased:** from **2 April 2026**, rates on imported and domestically supplied passenger vehicles (HS heading 8703) rose to **1.5 GEL per cm³** of engine capacity for vehicles up to six years old and **4.5 GEL per cm³** for vehicles over six years old - roughly a five-to-sixfold increase for the older-vehicle segment compared with the prior 0.8 GEL per cm³ base rate. Right-hand-drive vehicles are taxed at a substantial multiple of the standard rate; left-hand-drive hybrids receive a 60% rate reduction; right-hand-drive or rear-wheel-drive electric vehicles face a fixed 3,000 GEL charge. Vehicles already in transit, or for which registration or customs declaration had already commenced, by 2 April 2026 retain the prior rates, with a further concession for overland arrivals by 1 July 2026. Importers, dealerships and fleet operators should reprice inventory and revisit sourcing strategy, particularly for right-hand-drive stock.
- **Wine and vine law:** from **11 June 2026**, the "small winery" production threshold falls from 40,000 to 25,000 litres of annual capacity, narrowing eligibility for the associated regulatory treatment; a new statutory "natural wine" category, defined by production method, is introduced. Most significantly, certified alcoholic beverages offered for sale will require a QR-code mark issued by the National Wine Agency, confirming certification, mandatory from **1 February 2027**, with implementing rules due from the Ministry of Environmental Protection and Agriculture by 1 November 2026.
- **Tourism law amendments:** the statutory definitions of "alpine guide", "ski guide" and "mountain guide" have been removed in favour of a broader "tourism activity subjects" concept. Tour guides, operators and travel agencies must now register in a database maintained by the Georgian National Tourism Administration and notify it in writing of commencement, cessation or material changes to registered activity. Provision of designated "risk-bearing" tourism services, to be defined by government regulation, will require a specific certificate; operating without one carries fines of **3,000 GEL** for a first violation and **6,000 GEL** for a repeat violation.
- **Public procurement reform postponed:** the new Law on Public Procurement, intended to replace the current framework, will now enter into force only on **1 January 2030** rather than the previously scheduled date; the existing regime remains in effect in the interim, and suppliers bidding for government business need not yet plan around the new framework.
- **GMO animal feed licensing:** import and processing in Georgia of genetically modified organisms intended for animal feed, other than maize, wheat and vine, will require a license from **31 March 2027**; feed manufacturers and importers should begin preparing applications well ahead of typical licensing lead times.
- **Power grid connection:** since **12 June 2026**, applicants seeking to connect a power generation facility to the distribution network must also submit written confirmation from the relevant ministry, or a corresponding agreement, that the project has reached the feasibility or implementation stage (GNERC Resolution No. 15).
- **Architect certification postponed:** the requirement for an architect to hold formal certification before certifying an architectural project is postponed to **20 December 2026**, providing short-term relief for firms currently relying on uncertified architects.

3. What Businesses Should Know

- **Employers of foreign staff:** audit current and pipeline hires against the new exemption categories, the quota mechanism, and the 1 September 2026 change that decouples fine appeals from deportation timing; confirm sponsoring entities can evidence the 50,000/35,000 GEL turnover thresholds, or qualify for the newly-established-entity concession.
- **Groups with cross-border intercompany arrangements:** prepare or refresh transfer pricing documentation now for loans, management fees, royalties or similar arrangements exceeding 500,000 GEL annually, ahead of the new disclosure requirement.

- **Vehicle importers, dealerships and fleet operators:** reprice inventory and reassess sourcing against the confirmed 1.5/4.5 GEL per cm^3 structure, with particular attention to right-hand-drive exposure and the relative advantage now afforded to hybrids and EVs.
- **Real estate developers and individual sellers:** revisit barter deal structuring and appraisal documentation for landowner arrangements, and take case-specific advice on the two-year holding test under Public Ruling No. 143 before structuring disposals.
- **Alcohol producers, importers and distributors:** budget time and cost for QR-code labelling compliance well ahead of the February 2027 deadline, and reassess small-winery eligibility against the reduced 25,000-litre threshold.
- **Hospitality and inbound tourism businesses:** build mandatory insurance verification into booking and check-in workflows, and review consumer-facing terms accordingly.
- **Power generation developers:** source the ministry confirmation or agreement now required for grid connection applications earlier in the project development cycle, to avoid delays at the connection stage.
- **Suppliers and contractors to state and municipal entities:** continue operating under the existing procurement framework; no transition planning is required before the new law's 2030 entry into force.

4. NOMOS GEORGIA Insight

2026 has brought Georgia's most significant labour migration overhaul in years, layered with a fast-moving tax and regulatory agenda spanning excise duty, real estate taxation, tourism, procurement and energy. The pace of change in the work-authorization regime alone - four rounds of amendment within seven months, with the most recent taking effect in September - means that compliance positions considered settled even weeks ago may already require revisiting. Several further deadlines fall due before year-end: implementing rules for the wine QR-code regime are expected by **1 November 2026**, and the architect certification requirement returns on **20 December 2026**, so the fourth quarter of 2026 will itself bring further compliance dates worth diarizing now. Our corporate, tax and immigration teams monitor these developments as they happen and translate them into practical steps for businesses and investors operating in Georgia.

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