

No. 48692

**Spain
and
Georgia**

Agreement between the Kingdom of Spain and Georgia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol). Madrid, 7 June 2010

Entry into force: *1 July 2011 by notification, in accordance with article 29*

Authentic texts: *English, Georgian and Spanish*

Registration with the Secretariat of the United Nations: *Spain, 1 July 2011*

**Espagne
et
Géorgie**

Accord entre le Royaume d'Espagne et la Géorgie tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole). Madrid, 7 juin 2010

Entrée en vigueur : *1^{er} juillet 2011 par notification, conformément à l'article 29*

Textes authentiques : *anglais, géorgien et espagnol*

Enregistrement auprès du Secrétariat des Nations Unies : *Espagne, 1^{er} juillet 2011*

[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
BETWEEN
THE KINGDOM OF SPAIN
AND
GEORGIA
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

The Kingdom of Spain and Georgia, desiring to promote and strengthen the economic, cultural and scientific relations by concluding an Agreement for the avoidance of double taxation with respect to taxes on income and on capital have agreed as follows:

CHAPTER I SCOPE OF THE AGREEMENT

Article 1 PERSONS COVERED

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2 TAXES COVERED

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Agreement shall apply are in particular:
 - a) in Georgia
 - i) the profit tax;
 - ii) the income tax;
 - iii) the property tax;(hereinafter referred to as "Georgian Tax");
 - b) in Spain:
 - i) the income tax on individuals;
 - ii) the corporation tax;
 - iii) the income tax on non residents;
 - iv) the capital tax; and
 - v) local taxes on income and on capital;(hereinafter referred to as "Spanish Tax").
4. The Agreement shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of significant changes which have been made in their taxation laws.

CHAPTER II DEFINITIONS

Article 3 GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - a) the term "Georgia" means the territory recognised by the international community within the state borders of Georgia, including land territory, internal waters and territorial sea, the air space above them, in respect of which Georgia exercises its sovereignty, as well as the contiguous zone, the exclusive economic zone and continental shelf adjacent to its territorial sea, in respect of which Georgia may exercise its sovereign rights in accordance with the international law;
 - b) the term "Spain" means the Kingdom of Spain and, when used in a geographical sense, means the territory of the Kingdom of Spain, including inland waters, the air space, the territorial sea and any area outside the territorial sea upon which, in accordance with international law and on application of its domestic legislation, the Kingdom of Spain exercises or may exercise in the future jurisdiction or sovereign rights with respect to the seabed, its subsoil and superjacent waters, and their natural resources;
 - c) the terms "a Contracting State" and "the other Contracting State" mean Georgia or Spain as the context requires;
 - d) the term "person" includes an individual, a company and any other body of persons;
 - e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

- h) the term "competent authority" means:**

 - i) in Georgia: the Ministry of Finance or its authorised representative;**
 - ii) in Spain: the Minister of Economy and Finance or his authorised representative;**
 - i) the term "national" means:**

 - i) any individual possessing the nationality or citizenship of a Contracting State;**
 - ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting State.**
- 2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.**

Article 4 RESIDENT

- 1. For the purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.**
- 2. Where by reason of the provisions of paragraph 1 of this Article an individual is a resident of both Contracting States, then his status shall be determined as follows:**

 - a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);**