

No. 49992

**Slovakia
and
Georgia**

Agreement between the Slovak Republic and Georgia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. Bratislava, 27 October 2011

Entry into force: *29 July 2012, in accordance with article 27*

Authentic texts: *English, Georgian and Slovak*

Registration with the Secretariat of the United Nations: *Slovakia, 24 August 2012*

**Slovaquie
et
Géorgie**

Accord entre la République slovaque et la Géorgie en vue d'éviter la double imposition et de prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur le capital. Bratislava, 27 octobre 2011

Entrée en vigueur : *29 juillet 2012, conformément à l'article 27*

Textes authentiques : *anglais, géorgien et slovaque*

Enregistrement auprès du Secrétariat des Nations Unies : *Slovaquie, 24 août 2012*

[ENGLISH TEXT – TEXTE ANGLAIS]

**Agreement
between
the Slovak Republic and Georgia
for the Avoidance of Double Taxation
and the Prevention of Fiscal Evasion with Respect to Taxes
on Income and on Capital**

The Slovak Republic and Georgia, desiring to promote and strengthen the economic, cultural and scientific relations by concluding an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital,

Have agreed as follows:

**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-administrative 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 this Agreement shall apply are in particular:
 - a) in the case of Georgia:
 - i) profit tax;
 - ii) income tax;
 - iii) property tax;(hereinafter referred to as "Georgian tax");
 - b) in the case of the Slovak Republic:
 - i) the income tax;(hereinafter referred to as "Slovak tax").

4. This Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

Article 3

General Definitions

1. For the purposes of this Agreement, unless the context otherwise requires:

- a) the term "Georgia" means the territory defined by Georgian legislation, including land territory, its subsoil and the air space above it, internal waters and territorial sea, the sea bed, its sub-soil and the air space above them, in respect of which Georgia exercises its jurisdiction and 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 and jurisdiction in accordance with the international law;
- b) the term "the Slovak Republic" means the Slovak Republic and, used in a geographical sense, means its territory, within which the Slovak Republic exercises its sovereign rights and jurisdiction, in accordance with the rules of international law;
- c) the terms "a Contracting State" and "the other Contracting State" mean the Slovak Republic or Georgia, as the context requires;
- d) the term "enterprise" applies to the carrying on of any business;
- e) the term "person" includes an individual, a company and any other body of persons;
- f) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- g) 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;
- h) 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;
- i) the term "competent authority" means:
 - i) in the case of Georgia, the Ministry of Finance or its authorised representative;
 - ii) in the case of the Slovak Republic, the Ministry of Finance or its authorized representative;
- j) the term "national" in relation to a Contracting State means:
 - i) any individual possessing the nationality or citizenship of that Contracting State; and
 - ii) any legal person or partnership or association deriving its status as such from the laws in force in that Contracting State;

k) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of this 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 this 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-administrative 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 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);

b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;

c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.

Article 5 **Permanent Establishment**

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

c) an office;

d) a factory;

e) a workshop and

f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.

3. A building site or construction or installation project constitutes a permanent establishment only if it lasts more than six months.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or of collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character;

f) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs *a)* to *e)* of this paragraph, provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.

5. Notwithstanding the provisions of paragraphs 1 and 2, where a person – other than an agent of an independent status to whom paragraph 6 applies – is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting State an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.