

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
AND THE GOVERNMENT OF GEORGIA
FOR THE EXCHANGE OF INFORMATION ON TAX MATTERS**

The Government of the Commonwealth of The Bahamas and the Government of Georgia, desiring to facilitate the exchange of information with respect to taxes, have agreed as follows:

Article 1
Object and Scope of the Agreement

1. The Competent Authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable.

2. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable to the extent that they do not unduly prevent or delay effective exchange of information.

Article 2
Jurisdiction

A requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of or obtainable by, persons who are within its territorial jurisdiction.

Article 3
Taxes Covered

1. The existing taxes which are the subject of this Agreement are:

- a) in the case of The Bahamas, taxes of every kind and description;
- b) in the case of Georgia:
 - i. Income tax;
 - ii. Profit tax;
 - iii. Property tax;

2. This Agreement shall also apply to any identical taxes or any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes if the Competent Authorities of the Contracting Parties so agree. Furthermore, the taxes covered may be expanded or modified by mutual agreement of the Contracting Parties in the form of an exchange of letters. The Competent Authorities of each Contracting Party shall notify the other of any substantial changes to taxation and related information gathering measures which may affect the obligation of that Contracting Party pursuant to the agreement covered by the Agreement within a reasonable time.

Article 4
Definitions

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

- a) the term “The Bahamas” means the Commonwealth of The Bahamas, and when used in a geographical sense encompasses its land and territorial waters, subject to the laws

- of The Bahamas, and any area outside its territorial waters, inclusive of the exclusive economic zone and the seabed and subsoil thereof, over which The Bahamas exercises jurisdiction and sovereign rights for the purpose of exploration, exploitation and conservation of natural resources, in accordance with international law;
- b) the term “Georgia” means the territory within the state borders of Georgia, including land territory, internal waters and territorial sea and the air space above them, in respect of which Georgia exercises its sovereignty, as well as the exclusive economic zone and continental shelf adjacent to its territorial sea in respect of which Georgia exercises its sovereign rights in accordance with international law;
 - c) the term “Contracting Party” means The Bahamas or Georgia as the context requires;
 - d) the term “Competent Authority” means:
 - i. in the case of The Bahamas, the Minister of Finance or the Minister’s authorised representative;
 - ii. in the case of Georgia, the Ministry of Finance or its authorized representative;
 - 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 term “publicly traded company” means any company whose principal class of shares is listed on a recognised stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
 - h) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of the company;
 - i) the term “recognised stock exchange” means any stock exchange agreed upon by the Competent Authorities of the Contracting Parties;
 - j) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
 - k) the term “tax” means any tax to which the Agreement applies;
 - l) the term “applicant Party” means the Contracting Party requesting information;
 - m) the term “requested Party” means the Contracting Party requested to provide information;

- n) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
 - o) the term “information” means any fact, statement or record in any form whatever;
 - p) the term “criminal tax matters” means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party;
 - q) the term “criminal laws” means all criminal laws designated as such under domestic law, irrespective of whether contained in the tax laws, the criminal code or other statutes.
2. As regards the application of this Agreement at any time by a Contracting Party, 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 Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Contracting Party.

Article 5

Exchange of Information Upon Request

1. The Competent Authority of the requested Party shall provide upon request information for the purposes referred to in Article 1 (Object and Scope of the Agreement). Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the requested Party.
2. If the information in the possession of the Competent Authority of the requested Party is not sufficient to enable it to comply with the request for information, the requested Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.
3. If specifically requested by the Competent Authority of an applicant Party, the Competent Authority of the requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.
4. Each Contracting Party shall ensure that its Competent Authorities, for the purposes specified in Article 1 (Object and Scope of the Agreement) and within the constraint of Article 2 (Jurisdiction) of the Agreement, have the authority to obtain and provide upon request:
 - a) Information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees;
 - b) Information regarding the ownership of companies, partnerships, trusts, foundations, “Anstalten” and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain;
 - c) In the case of trusts, information on settlors, protectors, trustees as well as other legally involved parties and beneficiaries;
 - d) In the case of foundations, information on founders, members of the foundation council and beneficiaries.

5. Notwithstanding the preceding paragraph, this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes, unless such information can be obtained without giving rise to disproportionate difficulties.
6. The Competent Authority of the applicant Party shall formulate requested information with the greatest possible detail and shall provide the following information to the Competent Authority of the requested Party when making a request for information under the Agreement to demonstrate the foreseeable relevance of the information to the request:
 - a) the identity of the person under examination or investigation;
 - b) the identity of the person in respect of which information is requested, if that person is not also the taxpayer in subparagraph (a) of this paragraph;
 - c) a statement of the information sought including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;
 - d) the period of time with respect to which the information is requested;
 - e) the tax purpose for which the information is sought;
 - i. the reference to the tax or other law with respect to which the information is sought and;
 - ii. whether the matter is a criminal matter;
 - f) the reasons for considering that the information requested is foreseeably relevant for the purposes referred to in Article 1 (Object and Scope of the Agreement);
 - g) grounds for believing that the information requested is held in the requested Party or is in the possession or control of or obtainable by a person within the jurisdiction of the requested Party;
 - h) to the extent known, the name and address of any person believed to be in possession or control of the requested information;
 - i) a statement that the request is in conformity with the law and administrative practices of the applicant Party, that if the requested information was within the jurisdiction of the applicant Party then the Competent Authority of the applicant Party would be able to obtain the information under the laws of the applicant Party or in the normal course of administrative practice and that it is in conformity with this Agreement and;
 - j) a statement that the applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.
7. The Competent Authority of the requested Party shall forward the requested information as promptly as possible to the applicant Party. To ensure a prompt response, the Competent Authority of the requested Party shall:

- a) Confirm receipt of a request in writing to the Competent Authority of the applicant Party and shall notify the Competent Authority of the applicant Party of deficiencies in the request, if any, within 60 days of the receipt of the request;
- b) If the Competent Authority of the requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

Article 6

Tax Examinations Abroad

1. Representatives of the Competent Authority of a Contracting Party may enter the territory of the other contracting party to the extent permitted under the other Contracting Party's domestic laws and may subject to the previous written agreement of the person concerned to interview individuals and examine records. The Competent Authority of the first-mentioned party shall give reasonable notice of the time and place of the meeting or examination to the Competent Authority of the other party.
2. At the request of the Competent Authority of one Contracting Party, the Competent Authority of the other Contracting Party may allow representatives of the Competent Authority of the first-mentioned Party that have entered the territory of the other party in accordance with that other Contracting Party's domestic laws, to be present at the appropriate part of a tax examination in the second-mentioned Party always with the written consent of the persons subject to the examination.
3. If the request referred to in paragraph 2 is acceded to, the Competent Authority of the Contracting Party conducting the examination shall, as soon as possible, notify the Competent Authority of the other Contracting Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the first-mentioned Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Contracting Party conducting the examination.
4. For the purposes of this Article the expression "domestic laws" includes laws or instruments governing entry into, or exit from the territories of the parties.

Article 7

Possibility of Declining a Request

1. The Competent Authority of the requested Party may decline to assist:
 - a) where the request is not made in conformity with this Agreement;
 - b) where the applicant Party has not pursued all means available in its own territory to obtain the information, except where recourse to such means would give rise to disproportionate difficulties or;
 - c) where the disclosure of the information would be contrary to public policy (ordre public) of the requested Party.

2. The provisions of this Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing, information of the type referred to in Article 5, paragraph 4 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.
3. The provisions of this Agreement shall not impose on a Contracting Party the obligation to obtain or provide information, which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:
 - a) produced for the purposes of seeking or providing legal advice, or
 - b) produced for the purposes of use in existing or contemplated legal proceedings.
4. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.
5. The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax law of the applicant Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances.

Article 8

Confidentiality

1. Any information received by a Contracting Party under this Agreement shall be treated as confidential.
2. The information may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the determination, assessment or collection of, the recovery and enforcement, the investigation or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.
3. The information may not be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the Competent Authority of the Contracting Party.

Article 9

Costs

1. Unless otherwise agreed by the Competent Authorities of the Contracting Parties, ordinary costs incurred in providing assistance shall be borne by the requested Party, and extraordinary costs incurred shall be borne by the applicant Party.
2. Extraordinary cost will not be incurred without the prior consent of the applicant Party.

Article 10
Language

Requests for information and answers thereto shall be drawn up in English.

Article 11
Other International Agreements or Arrangements

The possibilities of assistance provided by this Agreement do not limit, nor are they limited by, those contained in existing international agreements or other arrangements between the Contracting Parties which relate to co-operation in tax matters.

Article 12
Mutual Agreement Procedure

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of the Agreement, the Competent Authorities shall endeavour to resolve the matter by mutual agreement.
2. In addition to the agreements referred to in paragraph 1, the Competent Authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5 and 6 of this Agreement.
3. The Competent Authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.
4. The Contracting Parties may also agree on other forms of dispute resolution.

Article 13
Entry into Force

This Agreement shall enter into force on the first day of the month following the day of the receipt of the last written notification through diplomatic channels, by which the Contracting Parties shall notify each other on the completion of internal procedures necessary for the entry into force of this Agreement.

Article 14
Termination

1. Either Contracting Party may terminate the Agreement by serving a notice of termination either through diplomatic channels to the Competent Authority of the other Contracting Party.
2. Such termination shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Contracting Party.
3. If the Agreement is terminated, the Contracting Parties shall remain bound by the provisions of Article 8 (Confidentiality) with respect to any information obtained under the Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed the Agreement.

DONE in duplicate at Nassau, Bahamas, this 27th day of October 2016, in the Georgian and English languages. In case of divergence in the interpretation of the provisions of the Agreement, the English text shall prevail.

DONE in duplicate at Tbilis, Georgia, this 4th day of November, 2016, in the Georgian and English languages, each version being equally authentic. In case of divergence in the interpretation of the provisions of the Agreement, the English text shall prevail.

**FOR THE GOVERNMENT OF THE
COMMONWEALTH OF THE BAHAMAS**

FOR THE GOVERNMENT OF GEORGIA

HON. MICHAEL B. HALKITIS
Minister of State for Finance

GIORGI TABUASHVILI
Director General