

## TIWB Programme N° F2017-0013

Host Administration:  
**Georgia Revenue Service (GRS)**

Expert Source:  
**TIWB Roster Expert**

Programme Dates:  
**April 2018 – November 2019**

The Georgia Revenue Service indicated their interest in a second TIWB tax audit assistance programme focused on transfer pricing (TP) and international taxation issues in late 2017. A TIWB Roster Expert assisted GRS then to increase the capacities of its auditors by conducting six onsite missions, as well as ad-hoc remote assistance from April 2018 to November 2019. A total of 15 audit cases were progressed in the financial sector. Tax issues covered under this TIWB programme included assets and depreciation, intangibles, intragroup services, permanent establishments, TP and valuation and econometric modelling. GRS and the TIWB Expert rated highly the support provided by the TIWB Secretariat, as well as the TIWB material (i.e. Expert Starter Kit).

### *Impact of the practical audit assistance programme*

This TP programme helped Georgia achieve the following results:

- **Human Resource development - Skill and Knowledge Transfer:** Ten GRS tax officials applied the knowledge and skills acquired for selecting audit cases based on risk assessments. The officials furthered their skills in audit preparation, case analysis, and company evaluations. Besides gaining expertise in the audit of permanent establishments and intangibles, GRS officials also acquired a deeper understanding of financial transactions. The TIWB Expert observed that the tax officials' technical confidence regarding TP methods, financial instruments and valuation methods increased during the programme. Furthermore, their confidence was displayed during meetings with taxpayers, where auditors asked relevant questions and made links between taxpayers' explanations, data, and good practices.
- **Institutional Development – Legislative changes, tools, process and procedures:** Together with the TIWB Expert, GRS officials developed an internal audit manual and recommended changes to the TP legislation, regulations, and general audit processes. With the assistance and trainings provided under the programme, the number of auditors in the Host Administration's TP unit increased from four to ten.
- **Lessons Learned:** By focusing the assistance provided to tax administrations on specific topics or sectors, TIWB experts can better concentrate support and target specific skills to be learned/strengthened.