AQUASANDS

THE WOLF SERIES · Nº 04

The 1% Playbook

Georgia for founders and freelancers: what the 1% small business status really taxes, who it is built for, and why it only works if you truly live there.

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Stop being a pigeon.
Join the wolves.

BEFORE YOU READ

A real rate. With real conditions.

Georgia draws attention for one number: 1% of turnover under small business status. The rate is real. But on its own it says nothing about your personal tax. This playbook shows the logic, the conditions people skip, and where it breaks.

WHAT YOU GET

- How the 1% status works, and the threshold it stops at.
- Sole trader or Georgian company, in one table.
- The two residence routes, and what each one asks.
- The 183-day reality, and banking as it really works.
- The seven traps, and a scorecard for your own case.

WHAT IT IS NOT

- Not a do-it-yourself kit. Eligibility, the route and the order of steps depend on *your* activity, passport and life, and are decided one to one.
- Not tax or legal advice. It is general information, stated as at November 2026.
- Not a promise of savings. The structure follows your real life, never the other way round.

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WHAT THE 1% REALLY TAXES

01

The pigeon version and the wolf version.

The pigeon version: "open something in Georgia, pay 1%." The wolf version: 1% of turnover, for a registered sole trader with small business status, up to a ceiling, and only worth anything if Georgia is where you are tax resident.

WHAT THE STATUS SAYS

An individual entrepreneur registered in Georgia can apply to the tax authority for **small business status**: tax at **1% of turnover, up to GEL 500,000 a year**.

The base is turnover, not profit. Your expenses do not reduce it, which is why the status suits activities with low costs: consulting, freelancing, agencies.

WHAT IT DOES NOT SAY

Nothing about **your personal tax**. If you keep your home, your family and your work in your home country, **your government still taxes you** there, generally on the same income.

And not every activity is admitted: **certain activities are excluded** from the status. Eligibility is checked first.

1%
of turnover under small business status

GEL 500,000
annual turnover ceiling of the status

183 days
of presence for tax residence in Georgia

THE RULE THAT SAVES YOU

Residence first, status second, bank third. The 1% rate only makes sense for a resident. A Georgian registration does not move your home, your 183 days or your centre of vital interests.

DECIDED ON THE CALL

Whether your activity is eligible for the status, and whether Georgia fits your life at all. Sometimes the honest answer is another country, or staying where you are. Book the 45-minute call →

SOLE TRADER OR GEORGIAN COMPANY

02

Two regimes. Choose one on purpose.

Georgia offers two very different tools. The 1% belongs to the individual entrepreneur. A Georgian company falls under another regime entirely.

	INDIVIDUAL ENTREPRENEUR, SMALL BUSINESS STATUS	GEORGIAN COMPANY (LLC)
Tax logic	1% of turnover, up to GEL 500,000 a year.	15%, or 0% as long as profits are reinvested.
Who carries it	You, personally, registered as a trader.	A separate legal person that you own.
Best for	Freelancers and agencies up to about €170,000 of revenue, prepared to spend 183 days on site.	Larger activity, profits kept in the business, or a structure that must stand apart from you.
Registration	At the House of Justice, with a tax number. Your attendance is required.	With the National Agency of Public Registry (NAPR). Incorporation in 1 to 2 weeks.
Capital	No minimum capital required.	
Residence	Opens the sole trader route to a residence permit (chapter 3).	Can be set up on its own, without a residence permit.
Paperwork	Monthly accounting and filings.	Accounting, filings and audit every year.

THE WOLF READING

If you live in Georgia, invoice your own work and stay under the ceiling, the status is the lean choice. If you reinvest, grow past the ceiling or need a separate entity, the company starts to make sense. The mixed cases are where most expensive mistakes happen.

DECIDED ON THE CALL

Which of the two fits you, and when to switch. That depends on your margins, your growth, how you pay yourself and how your home country reads each form. Check yours with us →

TWO ROUTES TO A RESIDENCE PERMIT

03

The permit is earned, or bought. Not declared.

Georgia gives a residence permit by two routes. Each has its own logic, its own timeline and its own price of entry.

ROUTE 1 · SOLE TRADER

GEL 50,000

of income received over twelve consecutive months

In practice the permit arrives in **year two**, once the activity is demonstrated. The first permit is issued for **one year, renewable**; **three years for IT profiles**.

Government fees depend on the processing time you request, **from thirty days down to ten**.

ROUTE 2 · REAL ESTATE

USD 150,000

investment threshold since 1 March 2026

The threshold rose from **USD 100,000 to USD 150,000** on 1 March 2026. Older articles still quote the former figure.

The route suits people who would buy anyway. Buying only for the permit ties capital to a property you then have to manage.

What both routes have in common

- [ ] **A declared legal address**, with a notarised lease or landlord verification at the House of Justice. It underpins the permit application.
- [ ] **Proof**: passport, proof of address less than three months old, and for route 1, proof of the income received.
- [ ] **A permit is not a tax residence.** The certificate still requires 183 days of presence (chapter 4).

€2,790

AquaSands residence in Georgia, government fees included

€2,490

our residence and tax residence service starts from, depending on the country

DECIDED ON THE CALL

Which route holds for you, and the calendar from registration to permit. It depends on your income, your passport, your family and your plans for property. Find your route →

THE 183-DAY REALITY

04

Two governments count your nights.

The 1% rate does not belong to whoever registers. It belongs, in substance, to whoever is genuinely tax resident in Georgia. Your home country runs its own test at the same time.

THE GEORGIAN SIDE

The status requires **registration on site**, and tax residence requires **183 days** of presence.

A residence permit or an address is a document. Tax residence is a fact you prove with nights, a lease and a life there.

THE HOME SIDE

Your government looks at where your **home** is, where you spend **183 days**, and where your **centre of vital interests** sits: family, work, assets.

Someone who keeps all three at home generally remains taxed there. Many countries also apply **exit rules** to people who leave.

The right order

01 Check whether you can genuinely become Georgian tax resident, with your family and your work.

02 Choose between small business status and a company.

03 Close the open doors at home: housing, registrations, days, the exit rules that apply to you.

04 Only then register, open the bank account, and keep a day log from the first night.

THE TRAP INSIDE THE TRAP

Run a Georgian activity from your kitchen table at home and you have the worst of both: **a Georgian registration and a home tax bill**, plus questions about where the business is really managed.

DECIDED ON THE CALL

Your own exit: what your home system looks at, which ties to cut first, and whether 183 days in Georgia is realistic for your life. Map your exit →

THE BANK AND THE ADDRESS

05

Opening is fast. Getting paid is the question.

Our assessment of banking in Georgia: adequate, with fast local opening. The real question is whether your clients' money arrives without friction.

THE ACCOUNT

A Georgian account opens quickly for a well-prepared file. **SEPA transfers** have to be checked against your sector. If your clients pay in euros, settle this point **before** you choose Georgia, not after your first invoice.

THE ADDRESS

A **declared legal address is mandatory**, with a notarised lease or landlord verification at the House of Justice.

It is not a formality: the same address underpins your residence permit application.

What a bank reads in your file

- Who you are: passport, address, tax number.
- What you do: the activity and its clients.
- Where your money comes from, and how much will flow.
- Who pays you, from which countries, in which currency.
- Where you live, and the lease that proves it.
- Consistency: every document telling the same story.

THE RULE

Banks refuse **inconsistent stories**. A status for one activity and invoices for another closes the door faster than any passport.

€3,990
AquaSands Georgian bank account opening, government fees included

€999
registered office, then €999 per year

1–2 weeks
recorded incorporation time

DECIDED ON THE CALL

Which bank to approach for your profile and currencies, and the file that makes the first application the right one. No serious provider guarantees an approval, and we will not either. Prepare your file →

WHAT THE STATUS DOES NOT COVER

06

1% is a status. Not a shield.

One of the cheapest set-ups in our catalogue, to enter and to maintain. That is exactly why people stretch it beyond what it was built for.

Five things the 1% does not do

- [ ] **It does not cover excluded activities.** Certain activities cannot use the status at all. The check comes before registration.
- [ ] **It does not extend past the ceiling.** The status is built up to GEL 500,000 of turnover a year. Growth beyond it needs a plan in advance.
- [ ] **It does not stop your home tax.** Without genuine Georgian tax residence, your home country keeps its claim.
- [ ] **It does not license regulated activity.** Exchanging or transferring virtual assets, for example, needs VASP registration with the National Bank of Georgia, through a Georgian company, with GEL 150,000 of capital for exchange or transfer.
- [ ] **It does not remove paperwork.** Accounting and filings are monthly. Low tax is not no filing.

What setting up costs

AQUASANDS PUBLISHED PRICES, GOVERNMENT FEES INCLUDED	PRICE
Georgia 1% + residence: sole trader, status, bank account, address, residence permit, monthly accounting, on-site support in Tbilisi	€4,870
Georgian company formation	€2,890 one-off
Accounting, filings and audit (company)	€2,330, then €2,330 per year
Compliance, KYC and beneficial owners	€999, then €999 per year

DECIDED ON THE CALL

Whether your activity fits the status, the plan for when you grow past the ceiling, and your real year-one and year-two budget as a firm quote. **Check your case →**

THE SEVEN TRAPS

07

Where pigeons get caught.

01 **Registering without living there.** The 1% only helps a Georgian tax resident. Without the 183 days, you have a registration and a home tax bill.

02 **Confusing the permit with tax residence.** A residence permit is a document. The tax residence certificate still requires 183 days of presence.

03 **Expecting the permit in year one.** The sole trader route needs GEL 50,000 received over twelve consecutive months. Plan for year two.

04 **Quoting the old property threshold.** Since 1 March 2026 the real estate route asks USD 150,000, not USD 100,000.

05 **Assuming every activity qualifies.** Some are excluded from small business status. Check before you register, not after your first filing.

06 **Ignoring the euro question.** If your clients pay by SEPA, check your sector with the bank before you commit to Georgia.

07 **Growing past GEL 500,000 without a plan.** The ceiling is part of the status. Cross it unprepared and the cheap structure stops fitting.

THE PATTERN

Every trap comes from the same mistake: buying a rate before designing a life. In Georgia the registration is the last decision, not the first.

YOUR SCORECARD

08

Are you ready, or about to pay twice?

Tick honestly. This is for you, not for us.

I am ready to spend 183 days a year in Georgia, with proof.	Yes ☐	No ☐
I know whether my activity is eligible for small business status.	Yes ☐	No ☐
My expected turnover stays under GEL 500,000 a year, or I have a plan beyond it.	Yes ☐	No ☐
I know whether a sole trader or a Georgian company fits me better.	Yes ☐	No ☐
I know which residence route I will use, and when the permit arrives.	Yes ☐	No ☐
I know which exit rules my home country applies to me.	Yes ☐	No ☐
I know how my clients will pay me, and in which currency.	Yes ☐	No ☐
I have a full year-one budget: registration, address, bank, accounting, residence, travel.	Yes ☐	No ☐

8 YES

You are ready to execute. A call gets you a firm quote and a named executing party.

5 TO 7 YES

You are close. The gaps are usually eligibility and the 183 days: 45 minutes closes them.

4 OR FEWER

Do not register yet. Book the call first; it may save you the whole budget.

BRING THESE TO YOUR CALL

Write down every “No” above. They are the agenda of your 45 minutes, and the answers you leave with.

WHAT THIS PLAYBOOK LEAVES OUT ON PURPOSE

The last 20% is yours alone. That is where we come in.

You now know the logic. What a document cannot do is apply it to your passport, your clients, your family and your money. These are the decisions we make with you:

- Whether your activity is eligible for the 1% status, or calls for a Georgian company.
- Your residence route, and a realistic calendar from registration to permit.
- Your 183 days, and the order to leave your home system cleanly.
- Your bank, your client currencies, and the file that gets the account opened.
- Your real year-one and year-two budget, as a firm quote with government fees included.

BOOK YOUR 45-MINUTE CALL

aquasands.net/request

At the end, we tell you what we would do in your place, including building nothing at all. The answer is often no, and we would rather say so before billing anything.

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HOURS
Mon–Sat, 9am–1am CET
French and English

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