

Legal Newsletter

(December of 2018 year)

This Legal Newsletter refers to significant legislative amendments, which were made in December, 2018 year in various legislative and sub-legislative acts.

Civil Code of Georgia

On the 22nd of December, 2018 year, the amendment was made in civil code of Georgia and its second paragraph of the article 505¹ was formed as follows:

“during the purchase by installment, if buyer`s total liabilities towards the same seller doesn`t exceed 200 000 (two thousand) GEL as a result of purchase by installment, receiving the property price up to 200 000 (two thousand) GEL by the seller should not be attached or indexed on foreign currency in any form.”

Amendments were done also to the article 576th and its 5th part was formed as follows:

“Unless otherwise provided by the law of Georgia and as a result of issuance of the amount of leasing financing, the total liabilities of lessee (receiver of the leasing) is less than 200 000 (two thousand) GEL towards the same lessor (issuer of the leasing), receiving the fee by the lessor (issuer of the leasing) should not be attached or indexed on foreign currency in any form.”

In addition, the 5th part of the article 576th was added the 6th part with the following content:

“6. If the lessor (issuer of the leasing) is an entrepreneur, while issuing the leasing, effective annual interest rate of the leasing should not exceed 50 percentages. Herewith, the lessor (issuer of the leasing) is obliged to follow the requirements, related to the commission, financial expenses, penalty and any form of financial sanctions, provided with the parts 5th and 8th of the article 625th. For this purpose, the national bank of Georgia is authorized to determine the rule of calculation of the effective annual interest rate of the leasing, commission, financial expenses, penalty or/and any form of financial sanction.”

The law entered into the force on the 14th day from its publishing.

Administrative Offences Code of Georgia

On the 13th of December, 2018 year, several amendments were made in the administrative offences code of Georgia, what mainly refers to the tobacco consumption. In particular:

The first part of the article 155³ was formed as follows:

“1. Selling of tobacco product, tobacco accessories or/and other device, intended for tobacco consumption in the institution, on the territory, existing in the ownership of the institution or on its adjacent territory, where its selling is prohibited by Georgian legislation, - shall be a subject to a fine to the amount of 200 GEL”.

Also the 3rd and 4th parts of the article 1711 were formed as follows:

“3. If a natural person smokes a tobacco in the building, including, in the part of multi-store house, which is common property (vestibule, entrance hall, corridor, staircase, basement, attic, roof, elevator, etc.), on the territory, existing in the ownership of the relevant institution or in public transport, where smoking is prohibited, - shall be a subject to a fine to the amount of 100 GEL”.

4. If the offence is committed for the second time for 1 year after the offence, provided with the 3rd part of this article is committed – shall be a subject to a fine to the amount of 200 GEL”.

The law entered into the force on the 15th day from its publishing.

Law of Georgia „On Licenses and Permits”

On the 22nd of December, 2018 year, the amendments were made in the law of Georgia “on licenses and permits”. According to one of the amendments, made in the law, paragraph 8th of the article 26⁴ was changed and it was formed as follows:

“8. In the process of issuing a construction permit of the state fire supervision object, it is compulsory the conclusion on implementation of fire safety requirements, which is issued by the state subordinate agency, operating under the governance of the Ministry of internal affairs of Georgia - Emergency management agency based on an appeal of issuing authority of construction permit”.

The law entered into the force since the 1st of January, 2019 year.

Law of Georgia “On Securities Market”

According to the law, dated on 27th of December, 2018 year, the 2nd article of the law of Georgia “on making amendments in the law of Georgia” “on securities market” was changed and it was formed as follows:

“Article 2. To be entered this law into the force from the 1st of July, 2019 year.”

As for the amendments itself, according to it was changed the paragraph 2nd of the article 32th of the law of Georgia “on securities market” and it was formed as follows:

“2. Information about any transaction (including, in case of an attempt to make a transaction), account, operation, made from the account and information about the balance, existing on the account can be given to the relevant account holder and to his/her representative, to the national bank of Georgia – under its authority, in cases, provided by Georgian legislation – to the Financial monitoring service of Georgia; while carrying out the inspection, provided with Georgian law “about the state inspection service” – to the state inspection service; in the case, provided with the paragraph 3rd of this article – to the tax authority. Other persons will be given this information only on the basis of the court decision”.

The law entered into the force upon its promulgation, on the 27th of December, 2018 year.