

## Legal Newsletter

(August 2019)

This Newsletter contains significant legislative amendments made into the various legislative and sub-legislative acts in August 2019.

### **Nº1-1/2045 Order of the Minister of Economics and Sustainable Development of Georgia**

In first of August 2019, Nº1-1/378 Order of the Minister of Economics and Sustainable Development of Georgia was established regarding the amendment “on adoption of criteria for average and high class hotels in the free tourist zone” in the criteria of hotel for average and high class hotels in the free tourist zone adopted with N1-1/2045 Order dated December 27, 2010 of the Minister of Economics and Sustainable Development of Georgia, in particular:

Paragraph B of the First Article has been formulated as follows:

“B) Elevator – if the hotel exceeds 2 floors”.

Paragraph B of the Second Article has been formulated as follows:

“B) Elevator – if the hotel exceeds 2 floors”.

The Article 3 has been excluded.

The order entered into the force upon publication.

### **N254 Order of the Minister of Finance of Georgia**

On 27<sup>th</sup> of August, 2019 “the rule for customs offence proceeding, rule for customs sanction enforcement measurements and its fulfillment rule” has been adopted. According to the Customs

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offence proceeding rule, a customs offence is considered an unlawful action (action or non-action) of a person for which the responsibility is provided with the Customs Code of Georgia. Customs offence proceeding includes formation of the offence protocol, case consideration, customs sanction imposition, decision making, recording made decision during identification of customs offence, as well, in case of customs offence dispute, procedures subsequent to legal decision made by the dispute resolving body or court.

According to the rule for Customs sanction enforcement measurements and its conduction, customs sanction enforcement includes measurements and its conduction procedures regarding law-violator person, customs offensive goods and/or vehicles.

The order entered into the force from 1<sup>st</sup> of September, 2019.

### **№259/№74 Mutual Order of the Minister of the Finance of Georgia and the Minister of the Internal Affairs of Georgia**

On 29<sup>th</sup> of August, 2019 has been adopted instruction “on rule for conduction customs formalities and compulsory registration with one-window principle regarding vehicles in the control area” and to be declared invalid the N98801188 Mutual Order dated December 31, 2010 of the Minister of Finance of Georgia and the Minister of Internal Affairs of Georgia “on rule for conduction customs formalities and compulsory registration with one-window principle regarding vehicles in the control area”.

The instruction determines relationships regarding conduction of customs and/or tax obligations and bringing to free distribution, customs storage, temporary import and export procedures and re-export towards vehicles in the customs control areas created in the customs procedures and re-export conduction groups location of customs bodies located in the structural units of Legal Entity of Public Law – Service Agency of the Ministry of the Internal Affairs of Georgia, as well, rights-obligations of relevant bodies of the Ministries of the Internal Affairs and Finance of Georgia, physical and legal entities, submission of vehicles customs declaration and making up a registration documents.

The aim of this instruction is to assist agreed and coordinated collaboration of the relevant bodies of the Ministry of the Internal Affairs of Georgia and the Ministry of Finance of Georgia in order to simplify procedures for use of free distribution, customs storage, temporary import and export procedures and re-export and compulsory registration towards vehicles for physical and legal entities.

The order entered into force from 1<sup>st</sup> of September, 2019.

## №407 Decree of the Government of Georgia

On 26<sup>th</sup> of August, 2019 amendments were made into N722 Decree dated December 26, 2014 of the Georgian Government “on adoption rule for recognition business-operator”.

Pursuant to the amendments, the paragraph 8 of the article 3 of the Decree has been formulated as follows:

“8. After 6 months from granting conditional recognition, the agency conducts repetitive inspection and on this basis:

- a. Conditional recognition is extended for business-operator if the business-operator fails to conduct all and any recommendation of the agency and its activity does not fully satisfy the requirements established by the legislation, except the case if:
  - a.a. the business-operator is found to have such inadequacy that creates high risk for human life and health that is the basis for temporary suspension of specific manufacturing process until elimination of such inadequacy;
  - a.b. the business-operator according to the legislation is obliged to establish and fails to establish food safety procedures according to the Hazard analysis and critical control points (HACCP) system;
- b. the business-operator is granted recognition if its activity fully satisfies the requirements established by the legislation.”

2. The article 3 has been supplemented with Paragraph 8<sup>1</sup> with the following content:

„8<sup>1</sup>. If the business-operator is refused a conditional recognition extension and refers to the Agency with application for recognition, within one month after delivering application, the agency shall inspect business operator on site. The business-operator is granted recognition only in case if its activity, according to the inspection outcomes, fully complies with requirements of Georgian legislation, otherwise, it shall be refused for recognition”.

3. The first paragraph of the Article 4 has been supplemented with C Sub-paragraph with the following content:

“C. to the business-operator that according to the legislation is obliged to establish and fails to establish food safety procedures according to the Hazard analysis and critical control points (HACCP) system;

The decree will enter into force from First January, 2020.

## Nº258/Nº73 Mutual Order of the Minister of Finance of Georgia and the Minister of Internal Affairs of Georgia

On 29<sup>th</sup> of August, 2019, N258/N73 Mutual Order of the Minister of Finance of Georgia and Minister of Internal Affairs of Georgia has adopted rule for conduction relevant records in the travel documents during crossing state borders and recording information in the automated database of the Ministry of Internal Affairs of Georgia and to be declared as annulled Nº985-Nº1187 Mutual Order dated December 31, 2010 of the Minister of Finance of Georgia and Minister of Internal Affairs of Georgia has adopted rule for conduction relevant records in the travel documents during crossing state borders and recording information in the automated database of the Ministry of Internal Affairs of Georgia. This rule determines rules for passport control and photography of physical entities during crossing border through frontier control post, recording and control of vehicles transposed by mentioned persons, rights and obligations of authorized bodies and customs bodies and its collaboration rules in the system of the Ministry of Internal Affairs of Georgia during control.

The order entered into force from 1<sup>st</sup> of September, 2019.

## Nº257 Order of the Minister of Finance of Georgia

On 29<sup>th</sup> August, 2019, on the basis of N257 Order of the Minister of Finance of Georgia, the instructions were adopted on transposing and registering goods in the customs territory of Georgia. In particular, the following instructions has been adopted:

1. Instruction “on rights and obligations determined with the customs legislation of Georgia”.
2. Instruction “on customs control”.
3. Instruction “on customs supervision”.
4. Instruction “on warranties”.
5. Instruction “on good import and submission of general bill of entry”.
6. Instruction “on temporary storage of goods”.
7. Instruction “on transit procedures”.
8. Instruction “on declaring and registering goods in customs procedures or re-export”.
9. Instruction “on customs storage procedures”.
10. Instruction “on free zone procedures”.
11. Instruction “on temporary import procedures”.
12. Instruction “on bringing goods into the free distribution and procedures for use goods with targeted purposes”.

13. Instruction “on internal processing procedure”.
14. Instruction “on external processing procedure”.
15. Instruction “on export procedure”.
16. Instruction “on re-export”.
17. Instruction “on goods transported with pipelines and transmission facilities”.
18. Instruction “on goods disposing”
19. Declaration classifier.

These instructions are enclosed to the Order as annexes.

This order, except for Paragraph 2 of Article 6, Paragraph 2 of Article 13 and Annexes №2-II-01 – №2-II-03 of instruction (Annex N2) “on customs control”, “Z1” sub-paragraph of Paragraph 2 of Article 6 and Paragraph 3 of Article 9 of Instruction (Annex N8) “on declaring and registering goods in customs procedures or re-export” adopted with this Order, entered into force from September 1, 2019.

Paragraph 2 of Article 6, Paragraph 2 of Article 13 and Annexes №2-II-01 – №2-II-03 of instruction (Annex N2) “on customs control” adopted with this Order will enter into force from January 1, 2020.

“Z1” sub-paragraph of Paragraph 2 of Article 6 and Paragraph 3 of Article 9 of Instruction (Annex N8) “on declaring and registering goods in customs procedures or re-export” adopted with this Order will enter into force from September 11<sup>th</sup>, 2019.