

Legal Newsletter (October-November 2019)

The present Newsletter is related to significant legislative amendments made into different legislative and statutory acts in October-November 2019.

Organic Law of Georgia “on citizenship of Georgia”

On 1st of October, 2019 amendments were made into Organic Law of Georgia “on citizenship of Georgia”, in particular, Paragraph 6 of Article 322 was formulated as follows:

“6. Georgian citizens towards whom decision was not adopted regarding losing citizenship of Georgia for citizenship of other country until 15 August, 2018, are authorized to refer Agency with the request to maintain citizenship of Georgia until 31 December, 2020.”

The Law was enforced immediately after publishing.

Georgian Tax Code

On 16th of October, 2019 amendments were made to Georgian Tax Code, in particular, “e” sub-paragraph of the First Part of Article 185 was formulated as follows:

“e. for passenger car (except for sport car) and motorcycle (including moped) – according to its age and engine capacity;”

Article 8 has been supplemented with Part 9 of the following content:

“9. The rate of excise for sport passenger car provided with goods 8703 position of National Commodity Nomenclature of Foreign-Economic Activity is 100 GEL.”

The law will come into force from 1st of January, 2020.

Georgian Code of Administrative Violations

On 16th of October, 2019 amendments were made into the Georgia Code of Administrative Violations, in particular, Article 268 of Code was supplemented with Parts 8 and 9 of the following content:

“8. In case that it is unable to serve a court decree indicated in the First Part of Article 273 of this Code to the individual, it shall be publicly launched according to the manner established by Georgian Civil Procedural Code and shall be considered as delivered to the individual on the third day after its publication”.

9. In case that it is unable to serve a party with decree obtained for administrative violation case (except for decree provided by Part 8 of this article and decree obtained during on the bench consideration of administrative violation case with rule established per Article 2341 of this Code), it shall be publicly announced according to the rule established by General Administrative Code of Georgia and shall be considered as delivered to the individual on the third day after its publication”.

Besides, Article 273 of the Code has been formulated as follows:

“Article 273. Term for appealing a decree made to the administrative violation case.

1. Decree made to the Administrative Violation Case, also decree made during on the bench consideration of administrative violation case with manner established per Article 2341 of this Code may be appealed within 10 days after serving relevant decree to the individual.

2. In case that term established with the First Part of this Article is failed to appear with valid excuse, this term may be renewed for claim consideration by authorized body (officer) with application of individual against whom the relevant resolution is adopted.

The law was enforced immediately after publication.

Georgian Law “on Insurance”

On 30th of October, 2019 amendments were made to Georgian Law “on Insurance”, in particular, Article 28¹ of this Law was formulated as follows:

“Article 28¹. Establishment of branch or foundation or procurement of affiliated company outside of Georgia by the Insurer.

1. The insurer within 14 days after establishment of branch or foundation or procurement of affiliated company for the purposes of activities defined by Georgian Legislation for individuals accountable according to the Georgian Law “on assistance for preventing money laundering and terrorism financing” outside of Georgia shall submit following documents to the service:

a. Decision of Managing Body of Insurer on establishment of branch or foundation or procurement of affiliated company;

b. Application of Managing Body of Insurer that in order to comply with the requirements of Financial Action Task Force (FATF) (hereinafter the FATF) against money laundering and

terrorism financing, the branch or affiliated company immediately after functioning has established a program to combat money laundering and terrorism financing.

2. If laws and statutory acts of foreign country branch or affiliated company does not provide fulfillment of FAFT recommendations by branch or affiliated company or no combat against money laundering and terrorism financing is carried out or improperly or insufficiently is carried out FATF recommendations:

a. The Governing Body of Insurer shall undertake in writing that the insurer shall provide enforcement of measures regarding money laundering and terrorism financing combat by its branch or affiliated company according to the requirements of the insurer in Georgia and the recommendations of the FATF;

b. The insurer shall provide the Service with information that its branch or affiliated company fails to comply with the laws of Georgia on the combat against money laundering and terrorism financing as it is prohibited or restricted by legislation of foreign branch or affiliated company;

The law was enforced immediately after publication.

The Order of the Minister of Finance “on Taxes Administration”

On 26 November, 2019, following amendments were made into instruction adopted with N996 Order dated 31 December, 2020 of the Minister of Finance of Georgia “on Taxes Administration”:

Article 77¹ was supplemented with 77² Article of the following content:

“Article 77². Delivery of unpacked tobacco in the single case.

1. This article defines cases of delivery of 50 or 100 g net mass goods without initial packaging referred to 2401, 2403 11 000 00, 2403 19 000 00 or 2403 91 000 00 codes of National Commodity Nomenclature of Foreign-Economic Activity for the purposes of article 188 of Georgian Tax Code.
2. Delivery of 50 or 100 g net mass indicated in 2401, 2403 11 000 00, 2403 19 000 00 or 2403 91 000 00 codes of National Commodity Nomenclature of Foreign-Economic Activity without initial packaging is possible in the following cases:
 - a. Delivery is implemented for the purpose of making tobacco products to the tobacco manufacturer whose information is recorded in the electronic register of tobacco manufacturers;
 - b. If the delivery provided for in subparagraph (a) of this Article is accompanied by the transportation, the manufacturer shall issue a consignment note in accordance with subparagraph (a) of this Article.
3. In the cases provided by paragraph 2 of this Article, goods indicated in 2401, 2403 11 000 00, 2403 19 000 00 or 2403 91 000 00 code of National Commodity Nomenclature of Foreign-Economic Activity does not subject to compulsory branding with excise marks.
4. No person is defined as the manufacturer of tobacco product who carries out only packaging of goods in initial packages provided with this article.
5. The Electronic Register of Tobacco Producers is maintained by the Revenue Service, which shall ensure its availability to the person concerned.
6. For the purpose of recording information in the electronic register of tobacco manufacturers, the tobacco manufacturer addresses the Revenue Service with a statement (in writing or electronically) containing its registration details (name, surname/name and identification number) and a brief description of its activities (tobacco production).

7. The Revenue Service shall, within 5 working days of receipt of the application, provide the information referred to in paragraph 6 of this Article to the Tobacco Manufacturers Electronic Registry, which shall notify the applicant and issue a document certifying it.

8. If the application does not meet the requirements of paragraph 6 of this Article, the Revenue Service shall determine a reasonable time limit for eliminating the defect, which shall not exceed 10 calendar days. In such case, the flow of the term established by Paragraph 7 of this Article is terminated which shall renew by the person on the following working day upon elimination of defect. If the defect is not remedied within that period, the Revenue Service decides to leave the application without consideration.

9. Growing and primary processing of tobacco product indicated in 2401 code of the National Commodity Nomenclature of Foreign Economic Activity in Georgia does not represent manufacture of the tobacco product.

The order came into force upon publication and its activity applied legal relationships raised from 21 November, 2019.