



Legal Newsletter

(October 2021)

The present newsletter contains significant legislative amendments and supplements made in various legislative and sub-legislative acts in October 2021.

The order №24/04 of the President of the National Bank of Georgia

On 28th of October, 2021, the Order №24/04 of the National President of Georgia dated April 7, 2011 “on the approval of the instruction on opening accounts in banking institutions” was amended, namely:

On the approval of the instruction on opening accounts in banking institutions, the instruction on opening accounts in banking institutions approved by the Order №24/04 of the President of the National Bank of Georgia of April 7, 2011 was amended:

1. paragraph 4¹ of article 3 was amended with the following redaction:

„4¹. The opening of a person's account in accordance with this instruction may be carried out on the basis of a power of attorney, in accordance with paragraph 8¹ of article 10 of the same Instruction.”

2. The paragraph 8¹ with the following content was supplemented to article 10:

„8¹. The bank has the right to receive the power of attorney submitted for opening an account both in material and electronic form and to verify the validity of the mentioned power of attorney in the electronic notary register.”

You can see the document of the above amendment at the link: <https://matsne.gov.ge> with the registration code: 220090000.18.011.016598

The Order came into force upon publication.



The Order №257 of the Minister of Finance of Georgia

On 20th of October, 2021, amendments were made to the instructions approved by the Order № 257 of the Minister of Finance of Georgia dated August 29, 2019 on the approval of the instructions of the movement and registration of goods on the customs territory of Georgia. In particular, a number of amendments were made in the instructions on the Customs Control (annex № 2) and on declarations and registrations of goods in the customs procedure or in re-export (annex № 8) .

You can see the amendment of the above document fully at the link: <https://matsne.gov.ge> with the registration code: 230210000.22.033.017519

The Order came into force upon publication.

By the same order, on 29th of October, 2021, a number of amendments were made in the instructions on the Customs Supervision (annex 3) and Re-Export (annex 16).

You can see the amendment of the above document fully at the link: <https://matsne.gov.ge> with the registration code: 230210000.22.033.017522

The Order came into force upon publication.

The Order №11 of the State Inspector

On 21st of October, 2021, an amendment was made to the order on the approval of the list of countries with appropriate guarantees for the protection of personal data, namely:

For the purposes of the transfer of personal data to another country, the list of countries where adequate data protection guarantees are provided in accordance with the annex to this Order.



The Order №1 of the Personal Data Protection Inspector of 16th September, 2014 on the approval of the list of countries with adequate guarantees for personal data protection was repealed.

The same order is accompanied by a list of countries where adequate data protection guarantees are provided.

You can see the amendment of the above document fully at the link: <https://matsne.gov.ge> with the registration code: 010100000.72.084.016037

The Order came into force upon publication.

The Order N 01-133/m of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia

On 12nd of October, 2021, on approval of the rules for reimbursement of leave for pregnancy, childbirth and child care, as well as adoption of a newborn, by the order of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia N 01-133/m of December 29, 2020, an amendment was made to the rules for reimbursement of leave for pregnancy, childbirth and child care, as well as adoption of a newborn. And after the paragraph 12 of the article 9 the following paragraphs 13, 14 and 15 were supplemented:

„13. Considering the subparagraph 3 of the article 5 of this rule, the structural unit with control and/or oversight function of the central office of the agency, periodically and selectively, to provide assistance to the employee, implements coincidence the information provided by the employer in the documents submitted to the territorial units with the information contained in the electronic database (databases) produced by the LEPL - Revenue Service (tax authority) within the field of governance of the Ministry of Finance of Georgia.

14. The electronic database (databases) produced by the LEPL-Revenue Service (tax authority) within the scope of governance of the Ministry of Finance of Georgia shall be accessed in accordance with the agreement between the Agency and the tax authority.

15. The conditions for the periodicity and implementation of the information coincidence provided in paragraph 13 of this article on a selective basis shall be determined by an individual administrative-legal act of the Agency. ”



You can see the amendment document of the above document at the link: <https://matsne.gov.ge> with the registration code: 470230000.22.035.016913.

The Order came into force upon publication.

The Order №996 of the Minister of Finance of Georgia

On 13th of October, 2021, the amended was made to the instruction approved by the order № 996 of the Minister of Finance of Georgia “on tax administration” of December 31, 2010 and paragraphs 3 and 4 of the article 92 were formed with the following redaction:

„3. In the cases provided in this chapter, when the tax authority has the power to determine the value of taxable property at the market price to the taxpayer, the tax liability during the tax audit shall be determined at the market price if:

- a) The market price of a taxable property exceeds its balance sheet value;
- b) The value of taxable property calculated as a result of the valuation provided in subparagraphs “a” - “d” of part 1, article 202, of the Tax Code of Georgia exceeds the market price of this property.

4. In the cases specified in paragraph 3 of this article, the market price shall not apply if:

- a) The market price of the taxable property exceeds not more than 10% of its balance sheet value;
- b) The value of taxable property calculated as a result of the valuation provided in subparagraphs “a” - “d” of the part 1, article 202, of the Tax Code of Georgia is not more than 10% higher than the market price of this property.

Instance 1

The inspection established that the taxpayer has a building with a book value of GEL 100,000 on her/his account during the audit period, which has not been revalued in the last 3 years. The person has submitted property tax returns for the relevant period, which reflects the data on the property.

Valuation:



As the property was not revalued during the last 3 years, the tax authority, in accordance with the subparagraph c of article 922 of this instruction, during the tax audit has the right to determine the value of the taxpayer 's property at the market price, which amounted to GEL 110,000.

However, since the market price of real estate does not exceed its balance sheet value by 10% ($110\ 000 - 100\ 000$) / $110\ 000 * 100 = 9\%$), the market price will not be applied to the taxable property by the tax authority.

You can see the document of the above amendment fully at the link: <https://matsne.gov.ge> with the registration code: 200090000.22.033.017517

The Order came into force upon publication.

The Order №579 of the Minister of Justice of Georgia

On 25th of October, 2021 "in order to prevent the spread of new coronavirus (COVID-19) for the administration of the activities of a Legal Entity under Public Law - the Public Service Development Agency and on the definition of temporary rules other than those established by the legislation on services of persons", the following amendments were made in the rule approved by the order №579 of the Minister of Justice of Georgia of July 15, 2020.

1. The first article:

a) The first paragraph of the article 1 was formed with the following redaction:

„1. The services of the Public Service Development Agency (hereinafter - the Agency), a legal entity of public law operating in the field of governance of the Ministry of Justice of Georgia, are available through the legal entity of public law operating in the field of governance of the Ministry of Justice of Georgia - my.gov.ge portal.

b) Paragraphs 3 and 3¹ were removed.

2. Paragraph 2 of the article 3 was removed.



You can see the document of the above amendment at the link: <https://matsne.gov.ge> with the registration code: 040030000.22.027.017263

The Order came into force from 25th of October.

The Order №580 of the Minister of Justice of Georgia

On 25th of October, 2021 "in order to prevent the spread of new coronavirus (COVID-19) for the administration of the activities of a Legal Entity under Public Law - the Public Service Development Agency and on the definition of temporary rules other than those established by the legislation on services of persons", the following amendments were made in the rule approved by the order №580 of the Minister of Justice of Georgia of July 15, 2020.

- a) Paragraphs 2 and 3 were removed.
- b) Paragraph 4 was formed with the following redaction.

„4. The Agency is authorized not to provide services to those persons who are in self-isolation or quarantine through a legal entity of public law operating in the field of governance of the Ministry of Justice of Georgia/through the branch of the House of Justice.The Agency is authorized to provide services to persons in self-isolation or quarantine in cases of significant urgent interest, for which it will use all possible efforts to provide services safely. ";

- c) Paragraph 5 was removed.

You can see the document of the above amendment at the link: <https://matsne.gov.ge> with the registration code: 040030000.22.027.017264

The Order came into force from 25th of October.

The Order №582 of the Minister of Justice of Georgia



On 25th of October, 2021, in order to prevent the spread of the new coronavirus (COVID-19), the following amendment was made in the order №582 of the Minister of Justice of Georgia of July 15, 2020 on determining temporary rules for the administration of the activities of a legal entity under public law - the National Bureau of Enforcement and different from those established by the legislation on the services of persons".

1. a. Paragraph 6 of the article 2 was removed.

b) Paragraph 7 was formed with the following redaction:

„7. For the purpose of initiating enforcement proceedings, the enforcement acts established by Article 2 of the Law of Georgia on Enforcement Proceedings and the documentation provided in article 25 of the same Law, as well as any proceeding material (including enforcement proceedings, simplified proceedings, insolvency proceedings, etc.) submission of documents as originals can also be done using insured mail. In this case, in order to identify the person, it is necessary to provide the creditor's/applicant's phone number, e-mail address (through which further documentation/information will be received/issued), a copy of the ID card, and bank requisites issued by a banking institution for executive cases related to the payment of money and cases of simplified proceedings. If necessary, the accuracy of the information and its affiliation with the creditor/applicant will be verified.”

2. Paragraph 2 of the article 3 was formed with the following redaction:

„2. In order to initiate executive proceedings, concluding a contract with a private executor, as well as the execution sub-acts established by article 2 of the Law of Georgia on executive proceedings and the documentation provided in Article 25 of the same law may be submitted electronically by private executor.

You can see the amendment document of the above document at the link: <https://matsne.gov.ge> with the registration code: 070010010.22.027.017265

The Order came into force from 25th of October.

The Resolution №98 of the Government of Georgia



On 1st of October, 2021, amendment was made to the Resolution №98 of the Government of Georgia of 12 April 2008 on delegating the authority to issue licenses to the Ministry of Finance and Economy of the Autonomous Republic of Adjara and:

1. Paragraph 3 was formed with the following redaction:

„3.“. The Ministry of Finance and Economy of the Autonomous Republic of Adjara issues a license for the issuance of a license for the use of minerals "on the approval of the regulation on the conduct of the auction, for the issuance of licenses for the use of minerals, the determination of the starting price for the issuance of licenses and the procedure for payment" in accordance with the rule approved by the Order №2 of the head of the National Mineral Agency-LEPL of May 1, 2018.”.

2. The appendix approved by the resolution - "list of building materials to be issued by the Ministry of Finance and Economy of the Autonomous Republic of Adjara with a mineral extraction license" was removed.

You can see the amendment document of the above document at the link: <https://matsne.gov.ge> with the registration code: 010340000.10.003.023042

The Resolution came into force upon publication.