

Legal Newsletter

(January 2024)

The present newsletter contains significant legislative amendments made in various legislative and sub-legislative acts in January 2024.

Order №1/M of the LEPL - Head of the National Environmental Agency

On the 10th of January, 2024 "on holding an auction for the purpose of issuing a usage license, determining the initial price for issuing a usage license and approving the regulation on the settlement procedure" an amendment was made to the resolution (hereinafter – provision) approved by the order №1/M of the LEPL - Head of the National Environment Agency of March 20, 2017 „on holding an auction for the purpose of issuing a license for use, determining the initial price for issuing a license for use, and the procedure for settlement" and sub-paragraph "a" of paragraph 8, Article 18 of the Regulation was formed as follows:

„a) The bidder will not participate in the trade, and for this reason, the sale of the usage license was not carried out."

Paragraph 9 of Article 18 of the Regulation was formed with the following redaction:

„9. Unless otherwise specified by the issuer of the license during the announcement of the auction, the relevant license will be issued to the winner of the electronic auction

within 7 working days after confirmation of payment of the final/offered amount fixed at the auction.

After the expiration of the period provided in paragraph 7 of Article 18 of the Regulation, the down payment shall be returned to the loser in the electronic auction in accordance with the law.

You can see the full version of the above Rule at the link: <https://matsne.gov.ge> with the registration code: 360160000.61.073.016006

The Order came into force upon its publication and its effect was extended to legal relations arising from the 1st of July, 2022.

Order №45/M of the Minister of Education, Science and Youth of Georgia

On the 12th of January, 2024 by the order №10/M of the Minister of Education, Science and Youth of Georgia the first paragraph of the order №10 of the Minister of Education and Science of Georgia, made on the 31st of March, 2011 "on the approval of the fee for the services on the basis of contracts provided by the legal entity under public law - educational institution's mandator service", was formed with the following redaction:

„1. The fee for the services provided on the basis of agreement by the legal entity under the public law - the mandator service of the educational institution was approved in the following amount:

a) On the basis of the agreements with professional educational institutions, the fee for the services provided by one mandator's staff unit per month shall be determined in the amount of 1275 GEL;

b) on the basis of agreements with general educational institutions created as an entrepreneurial or non-entrepreneurial (non-commercial) legal entity of private law, the fee for the services provided by one mandator's staff unit per month shall be determined in the amount of 1275 GEL.

You can see the full version of the amendment to the above document at the link: <https://matsne.gov.ge> with the registration code: 040030000.22.022.018428.

The Order came into force upon its publication and extended to relationships arising from the 1st of January 1, 2024.

N°174/5 Order N°174/m of the Minister of Education, Science and Youth of Georgia

On the 12th of January, 2024 by the Order N°15/M of the Minister of Education, Science and Youth paragraph 4 of Article 5 „on rules for starting and terminating teacher's activities approved by the first Article of Order N°174/m made on the 20th of August, 2019 of the Minister of Education, Science, Culture and Sports of Georgia „on the approval of the rules for starting and terminating teacher's activities .

„4. An independent invited specialist should be appointed as a member of the commission, and the representative of a sectoral department of the Ministry of Education, Science and Youth of Georgia (hereinafter - the Ministry) should also be appointed as a member of the public school commission, educational resource center representative of the relevant territorial body of the Ministry, LEPL- representative of the national center for professional development of teachers and representative of the professional union of teachers."

You can see the full version of the amendment to the above document at the link: <https://matsne.gov.ge> with the registration code: 430030000.22.022.018433.

The Order came into force upon its publication.

Order №996 of the Minister of Finance of Georgia

On the 16th of January, 2024 by the order №7 of the Minister of Finance of Georgia an amendment was made to the instruction of Order №996 of the Minister of Finance of Georgia „on Tax Administration" made on the 31st of December, 2010 and paragraph 8 of Article 41 (filling profit tax declaration appendix №II-09; Article 112 (transitional provisions) was formed with a new redaction.

You can see the full version of the amendment to the above Instrurcion at the link: <https://matsne.gov.ge> with the registration code: 200090000.22.033.017783

The Order came into force upon its publication.

In the same order, on the 18th of January, 2024, by Order №13 of the Minister of Finance of Georgia "on Administration of Taxes", an amendment was made to the instruction of Order №996 of the Minister of Finance of Georgia made on the 31st of December, 2010, and sub-paragraph „d" paragraph 3 of Article 47, was formed with the following edition:

„d) On rehabilitation and collective satisfaction of creditors" upon the opening of the bankruptcy regime in accordance with the law of Georgia - upon the publication of verdict on the declaration of admissibility of the application for insolvency and the opening of the bankruptcy regime.

You can see the full version of the amendment to the above Instrucion at the link: <https://matsne.gov.ge> with the registration code: 200090000.22.033.017786

The Order came into force upon its publication.

In the same order, on the 26th of January, 2024, by Order №25 of the Minister of Finance and Economy of Georgia "on Administration of Taxes", an amendment was made to the instruction of Order №996 of the Minister of Finance of Georgia made on the 31st of December, 2010, and appendix №III-19³ was formed with a new edition.

You can see the full version of the amendment to the above Instrurcion at the link:
<https://matsne.gov.ge> with the registration code: 200090000.22.033.017791

Order came into force from the 26th of January, 2024.

In the same order, on the 30th of January, 2024 by Order №28 of the Minister of Finance and Economy of Georgia „on the Administration of the Taxes" an amendment was made to the instruction of the Order №996 of the Minister of Finance of Georgia made on the 31st of December, 2010 and "Article 33¹ monthly income tax declaration of a person who organizes a gaming machine salon, a person who organizes gambling games and/or a totalizer with system-electronic form; "Article 33² completing the monthly income tax declaration of a person who organizes a gaming machine salon, a person who organizes gambling games and/or a totalizer with system-electronic form" etc. were formed with a new edition.

You can see the full version of the amendment to the above Instrurcion at the link:
<https://matsne.gov.ge> with the registration code: 200090000.22.033.017794

The Order came into force upon its publication and its effect will be extended to legal relations arising from the 1st of January, 2024.

Order №123/04 of the President of the National Bank of Georgia

On the 18th of January, 2024 by order №9/04 of the President of the National Bank of Georgia paragraph 6¹ with the following content was supplemented to the order №123/04 on the President of National Bank Of Georgia „on approval of the procedure for determining and imposing monetary fines against microbanks and their administrators"

„6¹. Non-fulfillment of the requirements established by the Law of Georgia "on protection of costumer's rights" when providing services by the microbank:

a) For each document signed in violation of the requirements of the Law of Georgia "on the protection of customer rights", including each contract signed with unjust standard terms/conditions, will cause a fine in the amount of 5,000 (five thousand) GEL on microbank;

b) Unjust commercial activity provided by the Law of Georgia "on protection of customer rights" will cause the microbank to be fined in the amount of 5,000 (five thousand) GEL for each violation;

c) Violation of the requirements related to the refusal of the contract provided by the Law of Georgia "on the protection of customer rights" will cause the microbank to be fined in the amount of 2,000 (two thousand) GEL for each violation;

d) Violation of any other requirements of the Law of Georgia "on the protection of consumer rights" will cause the microbank to be fined in the amount of 1,000 (one thousand) GEL for each violation.

You can see the full version of the amendment to the above Rule at the link:
<https://matsne.gov.ge> with the registration code: 220010000.18.011.016822

The Order came into force upon its publication.

Order №242/01 of the President of the National Bank of Georgia

On the 24th of January, 2024 by order №6/04 of the President of the National Bank of Georgia an amendment was made in the order №242/01 of the President of the National Bank of Georgia made on the 25th of December, 2009 on approval of the procedure for determining and imposing monetary fines against commercial banks and their administrators" and paragraph 3⁵ with the following content was supplemented to Article 2:

„3⁵. Non-fulfillment of the requirements established by the Law of Georgia "on the protection of customers rights" while providing services by the bank:

a) For each document signed in violation of the requirements of the Law of Georgia "on the protection of customer rights", including each contract signed with unjust standard conditions/conditions, the bank will be fined in the amount of 5,000 (five thousand) GEL;

b) Unjust commercial activity provided by the Law of Georgia "on protection of costumer rights" will cause the bank to be fined in the amount of 5,000 (five thousand) GEL for each violation;

c) Violation of the requirements related to the refusal of the contract provided by the Law of Georgia "on the protection of costumer rights" will cause the bank to be fined in the amount of 2,000 (two thousand) GEL for each violation;

d) Violation of any other requirements of the Law of Georgia "on the protection of costumer rights" will cause the bank to be fined in the amount of 1,000 (one thousand) GEL for each violation."

You can see the full version of the above Rule at the link: <https://matsne.gov.ge> with the registration code: 220090000.18.011.016821

The Order came into force upon its publication.

Order №218/04 of the President of the National Bank of Georgia

On the 18th of January, 2024 by order of the President of the National Bank of Georgia №8/04 paragraph 1² with the following content was supplemented to the order №218/04 of the President of the National Bank of Georgia made on the 27th of September, 2018 "on the approval of the rules for determining, imposing and enforcing the amount of a monetary fine for a loan-issuing entity".

„1². Non-fulfillment of the requirements established by the Law of Georgia "on the protection of customer rights" while providing services by the lending person:

a) For each document signed in violation of the requirements of the Law of Georgia "on the protection of customer rights", including each contract signed with unjust standard terms/conditions, the lending entity will be fined in the amount of 5,000 (five thousand) GEL;

b) Unjust commercial activity provided by the Law of Georgia "on the protection of customer rights" will cause the lending person to be fined in the amount of 5,000 (five thousand) GEL for each violation;

c) Violation of the requirements related to the refusal of the contract provided by the Law of Georgia "on the protection of customer rights" will cause the lending person to be fined in the amount of 2,000 (two thousand) GEL for each violation;

d) Violating any other requirements of the Law of Georgia "on the protection of customer rights" will cause the lending entity to be fined in the amount of 1,000 (one thousand) GEL for each violation.

You can see the full version of the amendment to the above Rule at the link: <https://matsne.gov.ge> with the registration code: 220010020.18.011.016820

The Order came into force upon its publication.

Order №218/04 of the President of the National Bank of Georgia

On the 23rd of January, 2024 by order №13/04 of the President of the National Bank of Georgia after subparagraph "I" of the first paragraph, Article 2 of the Rules of the President of the National Bank of Georgia „on the approval of the rules for determining, imposing and enforcing the amount of a monetary fine for a loan-issuing person", the following subparagraphs "J" - "L" were supplemented:

„J) In case of violation of the requirements provided by the order №195/04 of the President of the National Bank of Georgia made on the 27th of August 27, 2018, "on the provision of information to the credit information bureau in the territory of Georgia, the

recording and availability of information in the database of the credit information bureau", the lending person will be fined in the amount of 1,000 (one thousand) GEL, on each fact of the violation;

J) In the case of failure to comply with the written instruction of the National Bank based on the "rule of providing information to the credit information bureau in the territory of Georgia, recording and making available information in the database of the credit information bureau" approved by the order №195/04 of the President of the National Bank of Georgia made on the 27th of August, 2018 the lending person will be fined with 1,000 (one thousand) GEL;

L) In the case of repeated or multiple non-compliance with the written instruction of the National Bank based on the "rule of providing information to the credit information bureau in the territory of Georgia, recording and accessing information in the database of the credit information bureau" approved by the order №195/04 of the President of the National Bank of Georgia made on the 27th of August, 2018 the lending person will be fined with 5,000 (five thousand) GEL.

You can see the full version of the above Rule at the link: <https://matsne.gov.ge> with the registration code: 220010020.18.011.016824

The Order came into force upon its publication.

Order №16 of the Head of the Personal Data Protection Service

On the 25th of January, 2024 by the order №18 of the head of the Personal Data Protection Service, an amendment was made to the "rule of internship in the Personal Data Protection Service and:

1. Sub-paragraph „A” of Article 2 was formed with the following redaction:

„A) Internship – Regulated, fixed-term, remunerated activity in the work, the purpose of which is to acquire professional knowledge and experience, develop practical skills, and raise qualifications in order to prepare qualified human resources for the work;

2. The title of Chapter II was formed with the following redaction:

"Admission of an intern, term of internship and remuneration".

3. Article 5¹ with the following redaction was supplemented after Article 5:

Article 5¹. Intern's remuneration

1. Internship at work is compensated.

2. Internship at work is compensated in the manner and within the limits of the threshold amount established by Article 17¹ of the Law of Georgia "on Compensation of Labor in Public Institutions".

You can see the full version of the above Rule at the link: <https://matsne.gov.ge> with the registration code: 010100000.78.091.016019

The order came into force from the 1st of February, 2024.

Order №02 of the Head of the Insurance State Supervision Service of Georgia

On the 31st of January, 2024 by order №63 of the head of the Insurance State Supervision Service of Georgia an amendment was made to the "rules for determination, imposition and enforcement of monetary fines against the insurer" (Appendix №1) (hereinafter - rule) attached to the approved Order №02 of the head of the Insurance State Supervision Service of Georgia made on the 17th of March, 2015 "on approval of the rules for determination, imposition and enforcement of monetary fines against the insurer" and Article 3 of the rule (the amount of monetary fine to be imposed on the insurer for non-fulfillment of the requirements established by the normative acts and written instructions issued by the Financial Monitoring Service of Georgia in accordance with the Law of Georgia "on the promotion of prevention of legalization of illegal income") was formed with a new edition.

You can see the full version of the above Rule at the link: <https://matsne.gov.ge> with the registration code: 290160000.60.072.016071

The Order came into force upon its publication.

Resolution №6 of the Government of Georgia

On the 15th of January, 2024 in accordance with sub-paragraph "c" of Article 114⁶ of the Budget Code of Georgia, the attached "rule for transfer of funds from commercial bank accounts of state-

owned enterprises belonging to the government sector to the unified account system of the treasury" was approved.

You can see the full version of the amendment to the above Rule at the link: <https://matsne.gov.ge> with the registration code: 190020010.10.003.024398

The Resolution came into force from the 1st of January.

Resolution №101 of the Government of Georgia

On the 15th of January, 2024 according to paragraph 4, Article 20 of the Organic Law of Georgia "on Normative Acts", an amendment was made to Resolution №101 of the Government of Georgia made on the 2nd of March, 2022 "about the approval of the technical characteristics of automatic photo and video equipment and the manner of their operation, as well as the list of buildings and structures, on the outer perimeter of which it is mandatory to place/install automatic photo and/or video equipment" and Article 2 of the resolution was formed with the following redaction:

1. The facility defined by this resolution (except for educational institution) is obliged to ensure the placement/installation of photo-video equipment and compliance with the requirements approved by this resolution no later than January 1, 2024.

2. The professional and higher educational institution is obliged to ensure the placement/installation of photo-video equipment and compliance with the requirements approved by this resolution until January 1, 2026. The general educational institution is

obliged to ensure the placement/installation of photo-video equipment and compliance with the requirements approved by this resolution by December 31, 2026.

You can see the full version of the amendment to the above document at the link: <https://matsne.gov.ge> with the registration code: 140030000.10.003.024397

The Regulation came into force upon its publication and extended to relationships arising from the 1st of January, 2024.