

Legal Newsletter

(October 2023)

The present newsletter contains significant legislative amendments made in various legislative and sub-legislative acts in October 2023.

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

On the 5th of October, 2023, the attached rule of internship in the Personal Data Protection Service 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:010100000.78.091.016017

The Order came into force upon its publication.

Order №77 of the Minister of Internal Affairs of Georgia

On the 6th of October, 2023 the procedure for implementing video monitoring, storing, deleting and destroying records in the Migration Department of the Ministry of Internal Affairs of Georgia was approved with the attached redaction.

You can see the full version of the above Rule at the link: <https://matsne.gov.ge>, with the registration code:140130000.22.034.017405.

The Order came into force upon its publication.

Order №996 of the Minister of Finance of Georgia

On the 10th of October, 2023 by Order №368 of the Minister of Finance of Georgia an amendment was made to the approved instruction in the Order №996 of the Minister of Finance of Georgia made on the 31st of December, 2010 "on Tax Administration" and Appendix №II-01², Appendix №II-01³; Article 68 (Exemption from VAT of goods/services intended for foreign diplomatic persons) were formed with a new edition.

You can see the full version of the amendment to the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 200090000.22.033.017740.

The Order came into force on the 30th day of its publication.

In the same Order, on the 18th of October, an amendment was made in the instruction №379 of the Minister of Finance and Article 61 (recording of seven-digit codes related to petroleum products); Article 61¹ (Rule of assigning seven-digit codes related to petroleum products); Article 61² ((Amendment and cancellation of accounting data of seven-digit codes related to petroleum products).

You can see the full version of the amendment to the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 200090000.22.033.017744.

The Order came into force upon its publication.

In the same Order, on the 18th of October an amendment was made in the instruction №378 of the Ministry of Finance of Georgia and Article 14 (Public Notice) was formed with a new redaction.

You can see the full version of the amendment to the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 200090000.22.033.017743

The Order came into force on the 15th day of its publication

In the same Order, on the 18th of October, 2023 amendments were made in the instruction approved by the order №996 of the Minister of Finance of Georgia made on the 31st of December, 2010 "on Tax Administration", and after paragraph 56 of Article 112, paragraphs 56¹-56² were supplemented with the following content:

„56¹. in the event that in relation to the goods indicated in the code 2402 10 000 02 of the National Commodity Nomenclature of Foreign Economic Activity, the prices available in the trade network during the period from May 6 to May 18, 2023 could not be found by the Revenue Service, for the purposes of paragraph 56 of this article, only the recommended retail selling price of the goods indicated in the code 2402 10 000 02 of the national commodity nomenclature of foreign economic activity submitted to the tax authority by the manufacturer/importer in accordance with paragraph 55 of this article is used.

56². In the case provided in paragraph 56¹ of this article, no later than 1 month after the start of retail sale of the goods specified in the code 2402 10 000 02 of the national commodity nomenclature of foreign economic activity, the tax authority is obliged to determine the retail sale price of the goods independently, based on the methodology established by the head of the revenue service and, if the difference between the retail sales price established for these goods and the price determined by him is more than 6%, to submit information to the Minister of Finance of Georgia, in order to establish a new retail sale price for the said goods."

You can see the full version of the amendment to the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 200090000.22.033.017748.

The Order came into force upon its publication and its effect was extended to legal relations arose from the 21th of April, 2023

Order №257 of the Minister of Finance of Georgia

On the 18th of October, 2023 by the Order №257 of the Minister of Finance of Georgia an amendment was made to Order №257 of the Minister of Finance of Georgia made on the 29th of August, 2019 "on approving instructions on the movement and clearance of goods in the customs territory of Georgia" and the appendix №20 of the instruction "on the possibility of using the "New Computerized Transit System (NCTS)" during the implementation of customs formalities was formed with a new redaction.

You can see the full version of the amendment to the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 230210000.22.033.017745.

The Order came into force upon its publication.

Order №112/04 of the President of the National Bank of Georgia

On the 18th of October, 2023 by the order №279/04 of the President of the National Bank of Georgia an amendment was made in the order №112/04 of the President of the National Bank of Georgia made on the 26th of November, 2015 "on the use of the unified financial and statistical information system - Seostat of the National Bank of Georgia" and

1. in the first Article of this Order:

a) Sub-paragraph "b" was formed with the following redaction:

„b) „Sebstat: Guide for commercial banks and microbanks" (Appendix №2).";

c) sub-paragraph „d" was removed

2. Articles 2 and 3 were formed with the following redaction:

Article 2

Commercial banks and microbanks should be instructed Sebstat: to comply with the requirements of ": Financial and Statistical Data acquisition, processing, storage and distribution system manual of the National Bank of Georgia" and to use it in reporting practice.

Article 3

Commercial banks and microbanks shall submit financial and statistical reports to the National Bank of Georgia in accordance with the requirements and content of Sebstat, following the rules and procedures established by the manual and guide, through the Sebstat website (<https://sebstat.nbg.gov.ge/>).

3. Appendix №1, Appendix №2 and Appendix №3 approved by sub-paragraph "A"- "C" of the first article were formed in accordance with the attached Appendix №1, Appendix №2 and Appendix №3.

4. "Cash Statistics" Appendix №4, approved by the subsection "d" of Article 1, was removed.

5. Appendix №5 and Appendix №6 approved by subsections "e" and "f" of the first article shall be formed in accordance with the attached Appendix №5 and Appendix №6.

You can see the full version of the above instruction at the link: <https://matsne.gov.ge>, with the registration code: 220020000.18.011.016773

The Order came into force upon its publication.

Order №71 of the Minister of Justice of Georgia

On the 20th of October, 2023 according to the order №938 of the Minister of Justice of Georgia "on the approval of the instruction on the rule for performing notarial acts", the following amendments were made to the rule approved by the order №71 of the Minister of Justice of Georgia made on the 31st of March, 2010:

1. Paragraph 6 was supplemented to the Article 28 with the following content:

„6. If the transaction is subject to registration in the public register and its party is represented by a power of attorney issued in a foreign country, the transaction must be certified by a notary in the form of a public deed."

2. Paragraph 11 was supplemented to the Article 66 with the following content:

„11. If the transaction is subject to registration in the public register and its party is a joint activity (partnership), the transaction must be certified by a notary in the form of a public deed.

You can see the full version of the amendment to the above Rule at the link: <https://matsne.gov.ge>, with the registration code: 170040000.22.027.017426

The Order came into force upon its publication.

Order №4 of the Minister of Economy and Sustainable Development of Georgia

On the 20th of October, 2023 by the Order №1-1/409 of the Minister of Economy and Sustainable Development of Georgia Order №4 of the Minister of Urbanization and Construction of Georgia made on the 18th of January, 2002 "on the approval of the rules

for the regulation and engineering protection of the banks of the sea and rivers of Georgia" was declared invalid.

You can see the full version of the amendment to the above Order at the link: <https://matsne.gov.ge>, with the registration code: 330130000.22.024.016827

The Order came into force upon its publication.

Order №35 of the Minister of Justice of Georgia

On the 20th of October, 2023 by order №941 of the Minister of Justice of Georgia, the following amendment was made in the rule approved by Appendix №1 of the Legislative Herald of Georgia of the Order №35 of the Minister of Penitentiary and Probation of Georgia made on the 19th of May, 2015 "on determining the procedure for monitoring and controlling, storing, erasing and destroying records by visual and/or electronic means":

1. Article 15

a) paragraphs 1 and 2 were formed with the following redaction:

„1. During surveillance by electronic means, recording of information is carried out in automatic mode, at which time, when the memory of the recording device is filled, new information is recorded as a result of the destruction of the information on the memory of the same device.

2. The recorded material is kept at least 10 days.";

b) Paragraph 8 were formed with the following redaction:

„8. The archived material is stored within the proceedings of the case for a period of no more than 10 days after the transfer to the relevant subject, for which the material was archived, and in case of appeal in the court of disciplinary proceedings, as well as the decree on the use of disciplinary measures - no more than 1 month after the end of the disciplinary proceedings/decision by the court."

2. First paragraph of the Article 16 was formed with the following redaction:

„1. The archived material stored in the relevant database shall destroy by the commission created for this purpose by the order of the General Director of the Special Penitentiary Service, no later than 10 working days after the expiration of the period provided in paragraph 8 of the Article 15 of this rule.

You can see the full version of the above rule at the link: <https://matsne.gov.ge>, with the registration code: 100110000.22.027.017429

The Order came into force upon its publication.

Order №487 of the Minister of Finance of Georgia

On the 20th of October, 2023 According to the order №939 of the Minister of Finance of Georgia, Article 56 of the instruction approved by the order №487 of the Minister of Justice of Georgia made on the 31st of December, 2019 on the approval of the instruction "on Public Registry" was formed with the following redaction:

Article 56. Transactions subject to signature authentication

Unilateral, bilateral and multilateral private legal transactions in written form related to tangible and intangible property are subject to the verification of the authenticity of the signature, except for the minutes of the meeting of the condominium association, the agreement concluded with the participation of the joint activity (association), the power of attorney, the agreement concluded on the basis of the power of attorney issued in a foreign country, the will, lifelong support and the marriage contract, also, other transactions stipulated by the current legislation, on which the signatures of the parties must be verified/confirmed only by a notary."

Article 2

The rule established by this order also applies to the ongoing registration proceedings based on the registration statements submitted before the entry into force of this order.

You can see the full version of the above Instruction at the link: <https://matsne.gov.ge>, with the registration code: 040150000.22.027.017427

The Order came into force upon its publication.

Order №999 of the Minister of Finance of Georgia

On the 30th of October, 2023 an amendment was made to Order №999 of the Minister of Finance of Georgia made on the 31st of December, 2010 "on the use of special taxation regimes" (SSM, No. 172, 31.12.2010, 200230040.22.033.016103) and in the instruction "on special taxation regimes" approved by the order (Appendix №1):

1. Example 1 of the article 5 was removed

2. Article 14:

a) Paragraph 11 was formed with the following redaction:

„11. If an individual is granted the status of a small business during the accounting year, he/she shall submit a tax declaration to the tax authority on the income received in an incomplete tax period (from the beginning of the relevant year to the month of granting the status) to the tax authority by April 1 of the following year of the accounting year. A person with the status of a small business, according to the said declaration, current payments will not be charged.";

b) Paragraph 12 with the following content was supplemented after the Paragraph 11:

„12. In case of cancellation of small business status by an individual during the accounting year, current payments will not be charged to the person in the year of cancellation of the status.

3. First paragraph of the Article 15 was formed with the following redaction:

„1. A person with the status of a small business does not pay current fees."

4. Paragraph 3 of the Article 18 was formed with the following redaction:

„3. If the fact of a person carrying out prohibited activities for small businesses is noticed, he/she will be considered out of the regime from the beginning of this year."

You can see the full version of the above Instruction at the link: <https://matsne.gov.ge>, with the registration code: 200230040.22.033.017749.

The Order came into force upon its publication.

Resolution №398 of the Government of Georgia

On the 10th of October, 2023 in accordance with subparagraphs "b"- "c" of the first paragraph of Article 3, the Law of Georgia №3450-XIIqr-X lo made on the 3rd of July, 2023, regarding making amendments to the paragraph 10, Article 21 of the Law of Georgia "on Copyright and Neighboring Rights" and the Law of Georgia "on Copyright and Neighboring Rights" the attached "rule for storing and processing information obtained from manufacturers and importers of equipment and material carriers as well as from relevant state organizations and institutions by the management organization on a collective basis of property rights" was approved and relevant state organizations and institutions shall determine in accordance with Appendix №1.

You can see the full version of the amendment to the above Appendix at the link: <https://matsne.gov.ge>, with the registration code: 050000000.10.003.024231

The Resolution came into force upon its publication.

Resolution №520 of the Government of Georgia

On the 10th of October, 2023 by the Resolution №395 of the Government of Georgia according to paragraph 4 of Article 20 of the Organic Law of Georgia on normative acts", an amendment was made to Resolution №520 of the Government of Georgia made on the 1st of September, 2014 on approval of the procedure for reviewing and resolving the issue of residence permit in Georgia" and Article 4 (general requirements for documents to be submitted); Article 5 (documents to be submitted for obtaining a work residence permit); Article 12¹ (temporary residence permit) of the rule approved by the resolution were formed with a new edition.

You can see the full version of the amendment to the above Rule at the link: <https://matsne.gov.ge>, with the registration code: 010120000.10.003.024228

The Resolution came into force upon its publication.

Resolution №261 of the Government of Georgia

On the 17th of October, 2023 by the Resolution №403 of the Government of Georgia according to paragraph 4 of Article 20 of the Organic Law of Georgia on normative acts an amendment was made to the Resolution №261 of the Government of Georgia "on the Basic

Provisions of the Regulation of the Use and Development of Territories" made on the 3rd of June, 2019

and Article 2 (definition of terms); Article 5 (general requirements for development of the construction area), etc. of the "Main Provisions for Regulation of Use and Development of Territories" approved by resolution were formed with a new edition.

You can see the full version of the amendment to the above Resolution at the link: <https://matsne.gov.ge>, with the registration code: 330090000.10.003.024236

Resolution, besides paragraph 2 of Article 1 came into force upon its publication.

Paragraph 2, Article 1 of the Resolution came into force from the 1st of September.

Resolution №136 of the Government of Georgia

On the 23th of October, 2023 according to the Resolution №414 of the Government of Georgia "on normative acts" in accordance with Article 20, paragraph 4 of the Organic Law of Georgia, an amendment was made to the Resolution №136 of the Government of Georgia "on the Approval of the Regulation on the Procedure and Conditions for Issuing Licenses for the Extraction of Minerals" made on the 11th of August, 2005 and Article 3 of the Regulation (the procedure for issuing a license); Article 3¹ (direct rule for issuing mineral extraction license) etc. "on the Procedure and Conditions for Issuing a Mineral Extraction License" were formed with a new edition.

You can see the full version of the amendment to the above Rule at the link: <https://matsne.gov.ge>, with the registration code: 380050000.10.003.024247

The Resolution came into force upon its publication.