



## **Georgian Legal News**

Refer to the Law

### **Order No. 7/04 of the President of the National Bank of Georgia**

From 23 January 2019 onwards, commercial banks of Georgia may issue loans/bank credits in foreign currency in the equivalent amount of up to GEL 200,000, instead of GEL 100,000, to natural persons who are not citizens of Georgia and/or legal entities that are not registered in Georgia.

### **Law on the National Bank of Georgia**

As of 1 January 2019, cash payments made in Georgia are subject to the rounding rules.

When the sales price of a product/service is not expressed by 0 or 5, it will be rounded according to the following rules:

- a) 1 and 2 Tetri are rounded down to 0;
- b) 3 and 4 Tetri are rounded up to 5;
- c) 6 and 7 Tetri are rounded down to 5;
- d) 8 and 9 Tetri are rounded up to 10.

The price itself, however, does not change.

## Civil Code of Georgia

As of January 2019, new amendments to the Civil Code of Georgia became effective. In particular:

- Article 505<sup>1</sup>(2) is amended to read as follows:  
If total liabilities of a buyer against a seller do not exceed GEL 200,000 under the credit sale, the price of a property may not be linked or indexed to a foreign currency in any form.
- Article 576(5) is amended to read as follows:  
Unless otherwise provided by the laws of Georgia, if the total liabilities of a lessee against a lessor under a lease contract do not exceed GEL 200,000, lease payments may not be linked or indexed to a foreign currency in any form.

- Articles 625(7) and 868(8) are amended to read as follows:

Unless otherwise provided by the laws of Georgia, a loan/bank credit up to GEL 200,000 must be issued in Georgian Lari, apart from cases where the borrower's total liabilities resulting from loans/bank credits against the issuer of such loan/bank credit exceed GEL 200,000. A loan/bank credit is not considered to be issued in Lari, if it is linked or indexed to a foreign currency in any form.

These changes will not apply retrospectively. In terms of loans/bank credits, the amendments will also not apply, if a loan/credit, issued before their effective date, is deferred, restructured, or refinanced by the original issuer.

## Contacts

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