



Georgian Legal News

Refer to the Law

Amendments to the Law of Georgia on Payment Systems and Payment Services, Tax Code of Georgia and the Law of Georgia on Personal Data Protection

Amendments set out in the Law of 27 December 2018, regulating the delivery of information about the financial assets and electronic of the customers of payment services, came into effect earlier than planned: on 1 May 2019 instead of 1 July 2019.

The amendments authorise the State Inspector's Office to conduct inspections within the scope of the Law of Georgia on the State Inspector's Office. Relevant adjustments were made to Article 43(2) of the Law. The effective dates have been reflected in Article 39(2)(b¹) of the Tax Code of Georgia, as well as in relevant provisions of the Law on Personal Data Protection, and other related normative acts.

Tax Code of Georgia

A bill introducing a fixed excise tax for imports of sports vehicles was initiated in Parliament on 24 April 2019. The authors of the bill argue that changes to the law adopted in 2016 resulted in an increase in the cost of importing vehicles into Georgia, and have caused several problems for motorsport in the country. Therefore, the members of Parliament propose setting a fixed excise of GEL 100 for imports of sports vehicles. The changes will only affect sports vehicles, while excises for all other types of vehicle, including motorcycles and mopeds, shall be determined based on their age and engine capacity.

Order No. 996 the Minister of Finance of Georgia "On Tax Administration" dated 31 December 2010

Pursuant to the Order No. 121 of the Minister of Finance of Georgia dated 25 April 2019, amendments were made to the clause regulating VAT-exemption rules for product delivery/service provision to foreign diplomats (Article 68). Under the laws of Georgia, the delivery of a product or the provision of a service to members of a diplomatic mission for personal use are exempt from VAT.

Until the recent amendments, an invoice had to be issued if the total sum of a taxable product/service provision operation to a diplomat exceeded GEL 100 (within a single transaction). According to the changes, a product/service provider is not obligated to issue an invoice unless specifically requested to do so by a member of a diplomatic mission. These amendments came into effect on 1 May 2019.

Review of Court Practice – Important Interpretations

In its decision of 15 February 2019 on case No. AS-1210-2018, the Civil Case Chamber of the Supreme Court of Georgia made an important interpretation regarding the terms of appealing a dismissal order.

The Supreme Court overruled the interpretation of the Court of Appeals, whereby an employee was not obligated to request a written notice of dismissal, according to the relevant clause of the Labour Code. In such cases (if an employee fails to request a written notice of dismissal), a general three-year limitation period set forth for contracts is to be applied in lieu of the limitation period of 30 days stipulated in Article 38(6) of the Labour Code.

The Supreme Court ruled that the application of the three-year limitation period was common before the amendments to the law came into force on 12 June 2013; however, following the introduction of Article 38(6), the limitation period for appealing dismissal orders is 30 days.

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