



Georgian Legal News

Refer to the Law

The “Law on Labour Safety”

On 21 March 2018, the Law on Labour Safety entered into force with the aim of protecting the health and safety of employees in the workplace, and:

- Determining rights, obligations, and liabilities of governmental bodies, employers, employees, representatives of employees, and other persons in the workplace in order to create a safe and healthy work environment;
- Improving the organization and management of labour safety in the workplace; and
- Reducing and preventing accidents and occupational diseases.

The law applies to labour which entails heavy lifting, and/or harmful, and hazardous working conditions. The Government of Georgia in agreement with social partners is responsible for determining the full list of said conditions.





The “Law on Mandatory Insurance against Civil Liability for Owners of Motor Vehicles Registered in a Foreign Country and Driven on the Territory of Georgia”

Effective 1 March 2018, when a motor vehicle registered in a foreign country enters the territory of Georgia, the owner of said vehicle is obliged to obtain civil liability insurance for the whole period said vehicle will remain in the territory of Georgia, but no less than for the period set forth by the law.

The mandatory insurance will cover damages caused by, derived from, or associated with said motor vehicle.

The law applies to Georgian citizens as well as foreign citizens and stateless persons who are staying in the territory of Georgia.

The “Law of Georgia on Insurance”

Article 9² was added to the “Law on Insurance” dated 1 January 2018, titled “Internal Audit”. According to the article, the activities of an insurer are subject to internal audit, which aims to check the compliance of its ongoing activities with the Georgian legislation to control the observance of legal acts and internal procedures and to assess internal management systems.

As of 1 March 2018, licensed insurers are obliged to comply with the legal requirements pertaining to internal audits.

The “Civil Code of Georgia”

Article 628¹ was added to the “Civil Code of Georgia”, titled “Restriction on Attraction of Cash Funds”, which became effective on 1 March 2018. The article stipulates the following:

An entrepreneur has the right to attract returnable cash funds from more than 20 natural persons only in line with the rule and requirements established by the “Organic Law of Georgia on the National Bank of Georgia”.

If a microfinance organization attracts cash funds in any form from more than 20 natural persons, the sum attracted from each natural person should not be less than 100,000 (one hundred thousand) Georgian lari (or its equivalent in a foreign currency). If a microfinance organization is under obligation to comply with the requirements of this article, it will be obliged to pay the amount attracted from less than 20 natural persons in the amount of less than 100,000 (one hundred thousand) Georgian lari (or its equivalent in a foreign currency) within 1 year after such obligation arises.

The “Civil Procedure Code of Georgia”

Several important amendments were made to the “Civil Procedure Code” on 29 March 2018, among them were the following:

- Article 14 was changed according to which magistrate judges will adjudicate property disputes in the court of first instance if the amount of the claim does not exceed 5,000 Georgian lari; non-contentious matters and summary proceedings, apart from adoption cases and cases pertaining to the compensation of damages adjudicated in the form of summary proceedings, and cases concerning ownerless property, provided that the claim or the property exceeds 5,000 Georgian lari;
- Article 25(3) was amended according to which civil cases will be adjudicated by 3 judges in appellate proceedings. Cases specified in Article 14 of the Code, property disputes where the value of the property exceeds 20,000 Georgian lari; an appeal of the ruling on the default judgement as well as labour disputes may be adjudicated solely by a judge of the civil chamber of the Appellate Court;
- Article 365 was amended and states that an appeal in a property dispute is admissible only if the value of the property exceeds 2,000 Georgian lari. This value is determined in light of the extent to which a party requests that the decision be changed.

If you have any questions regarding the information provided in this newsletter, please contact one of the Tax & Legal professionals at our Deloitte office in Georgia:

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