



Georgia

Deloitte Legal

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Georgian Legal News Refer to the Law

Draft Law on Voluntary Private Pension Law

In order to fulfill obligations stipulated by the Georgia-EU Association Agreement, a draft voluntary private pension law was submitted to the Parliament on October 10, 2022. The law aims to develop the voluntary private pension market in Georgia; ensure free competition in the market; ensure the financial sustainability of voluntary private pension schemes; encourage long-term investments and the protection of beneficiary interests.

According to the draft law, legal entities registered in Georgia holding the appropriate license and/or companies registered outside of Georgia are entitled to carry out voluntary private pension activities.

Legal acts of the National Bank of Georgia.

Resolution of the Council of the National Bank of Georgia of September 30, 2022 on determining the rules for responding to the detection of counterfeit money in Georgia

The purpose of the resolution is to essentially limit the spread of counterfeit national and foreign currency in Georgia.

Any representative of the financial and non-financial sectors carrying out cash-related operations is obligated to detect signs of counterfeit/suspicious money in Georgia.

If suspicions are raised about the authenticity of cash, it is immediately removed from circulation and the appropriate authorities informed.

Any cash raising suspicions as to its authenticity is examined, and not reimbursed or returned if confirmed as counterfeit.

The National Bank of Georgia ensures the registration of incoming counterfeit cash bills and coins, their safe storage and subsequent destruction.

The resolution has been in effect since October 3, 2022.

Order of the President of the National Bank of Georgia dated October 24, 2022 No. 145/04 on the approval of regulations on uniform and secure open communication standards

The order applies to payment service providers, payers and recipients. The purpose of the order is to:

- ensure effective and secure communication when accessing user account information and making payments,
- define common and secure open communication standards for all parties involved,
- protect data confidentiality and integrity

In order to ensure data confidentiality and integrity, payment service providers are obliged to:

- ensure reliable data encryption in correspondence between parties,
- make sure its access sessions are as short as possible and actively terminated as soon as the requested action has been completed,
- ensure that personalized security features and authentication codes being exchanged cannot be read directly or indirectly by any employee at any time.

The order will enter into force on November 1, 2022.

Legislative changes to take into account the decisions of the European Court of Human Rights

On October 18, 2022, the Parliament of Georgia adopted a package of legislative amendments in the third reading, whereby Georgia expressed its readiness to ensure the establishment of existing standards at the national level following the development of precedent law of the European Court of Human Rights. For this purpose, the changes made to the laws of Georgia, including:

- Civil Procedure Code of Georgia,
- Criminal Procedure Code of Georgia,
- Administrative Procedure Code of Georgia,
- Law on International Agreements of Georgia

Under the amendments, court documents (an action, an answer, court ruling/decision, etc.) may refer to norms of the Convention for the Protection of Human Rights and Fundamental Freedoms and its protocols and precedents of the European Court of Human Rights on the same legal issues which the parties/courts rely on.

In addition to the above, the Ministry of Justice of Georgia shall undertake to maintain a register of decisions/judgments issued by the European Court of Human Rights against Georgia, while the Legislative Herald of Georgia ensures the translation and publication of the decisions.

The above changes have entered into force as of 24 October 2022.

Draft Law on Securitization

On October 10, 2022, a draft law on securitization was submitted to the Parliament of Georgia. The draft law regulates legal and financial issues related to securitization transactions, the parties involved and the securitization instruments issued as a result of the transaction.

Securitization refers to a transaction or set of transactions on the basis of which a securitization legal entity assumes a credit risk related to underlying assets by purchasing the underlying assets or otherwise (including placing derivatives) and issues securitization instruments whose value and/or income depends on that risk.

A securitization instrument is an instrument a securitization entity uses to finance the purchase of underlying assets and that will be available to investors. A securitization instrument can be: loan securities, a securitization fund unit (unit), a securitization company share/share, a credit.

Contacts

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