

## BGI Law Brief

April 2019

### Employers Subject to Extensive New Regulations

Georgia has recently adopted a number of regulations, introducing new requirements for employers and imposing sanctions for breach of the same.

#### Elimination of Discrimination at the Workplace

New amendments to the Labor Code on elimination of all forms of discrimination from the work environment have been adopted, explicitly prohibiting discrimination at the pre-contractual stage, including the time of announcement of vacancies.

Furthermore, employers are now prohibited from mistreatment of employees or terminating the employment agreement in cases when the employee has addressed or cooperated with relevant agencies on possible facts of discrimination.

In addition to the above, the Parliament is now considering further amendments specifically targeting sexual discrimination at workplace.

#### Ensuring Health and Safety of the Work Environment

As of September 1, 2019 all employers must ensure compliance with labor safety requirements as a result of the Parliament adopting the new Labor Safety Code in February. The code sets out specific regulations with respect to the obligations of the employers, employees and third parties for safety of the work environment.

Employers must ensure prevention of work accidents. To do so, they must conduct mandatory trainings and instructions, conduct risk assessment of the work environment and employ labor safety specialists. Furthermore, they must provide employees with insurance from accidents.

The law is currently applicable only to employers which carry out hazardous, hard, harmful and dangerous activities listed under the relevant order of the Government of Georgia. **As of September 1 2019**, the requirements under Labor Safety Code will be mandatory for all employers, irrespective of the character of their activities.

The Ministry of Internally Displaced Persons, Labor, Health and Social Affairs of Georgia will supervise the implementation of the requirements of the law. Failure by an employer to comply with the requirements of the law will be subject to a warning, a fine, or suspension of the employer's activities.

#### Participation of Trade Unions in Employers' Activities

In addition to the foregoing, the Parliament has adopted the new Organic Law on Trade Unions. Based on this law, trade unions may effectively exercise their right to participate in the process of planning, construction and acceptance of industrial tools, mechanisms and instruments for the purposes of ensuring employee safety.

#### Anticipated Amendments

The Parliament is currently considering amendments to the Labor Code, which aim at expanding the definition of term "employment relationship" by providing an exhaustive list of

contractual arrangements which may qualify as “employment relationships”.

If the bill is adopted, contracts which currently do not fall under the scope of the Labor Code of Georgia may be qualified as “employment relationships” and be subjected to the requirements described above.

The initial hearing of the bill is scheduled for May, 2019.

## **Anticipated Regulations on Agricultural Land Ownership**

The Parliament is considering the bill on the Organic Law on Ownership of Agricultural Land that will determine the rights of foreigners with respect to ownership of the agricultural land in Georgia.

This follows the adoption in late 2018 of the new edition of the Constitution, declaring agricultural land as an “especially important resource” laying foundation for outlawing the foreign ownership of the same.

However, the bill is intended to provide certain exemptions from the prohibition. If adopted, agricultural land may be owned by foreigners and foreign companies directly or indirectly in special cases and with preconditions. According to the bill, such preconditions will not apply to financial institutions the list of which shall be adopted by the Georgian Government.

The first plenary hearing regarding the bill is scheduled for May 2019.

## **Insurance Intermediaries Subject to New Requirements**

The government has initiated the bill on the Law on Insurance. The bill envisages new requirements with respect to insurance intermediaries, such as insurance brokers and insurance agents. These requirements include

mandatory instruments for insuring financial stability of insurance intermediaries, such as minimum capital, guarantee funds and insurance of professional liability, *etc.*

The bill also envisages an obligation of insurers to proactively publish corporate information on company shareholders.

Failure to comply with the requirements of the law will be subject to a warning or a fine, or termination of registration of the insurance intermediary.

The initial hearing of the bill is scheduled for May, 2019.

\*\*\*\*\*

This Law Brief is for general information purposes only. It does not constitute and is not intended to be relied upon as legal advice. BGI shall not be responsible for any loss in the event this update is relied upon without seeking our professional advice first.

Compiled and edited by Ani Khojelani. For any further questions or inquiries please contact:

Sandro Bibilashvili, Partner  
[Sandro.bibilashvili@bgi.ge](mailto:Sandro.bibilashvili@bgi.ge)

Ani Khojelani, Associate  
[Ani.khojelani@bgi.ge](mailto:Ani.khojelani@bgi.ge)

BGI Legal  
[Bgilegal@bgi.ge](mailto:Bgilegal@bgi.ge)

© BGI Legal. 2019