



## Georgian Legal News Refer to the Law

### **Draft law on “Public - Private Partnership”**

A draft law on “Public - Private Partnership” has been tabled in the parliament of Georgia, the purpose whereof is to develop transparent, efficient and modern legal and institutional framework for public - private partnership which will support the deepening of partnership between the public and private sectors, improvement of investment and business environment and create attractive environment for investments.

The draft law sets forth legal grounds for public - private partnership, amongst others, rules and procedures related to development and implementation of public - private partnership projects, principles of public-private partnership, a relevant institutional system and other issues related to public - private partnership.

The draft law may give rise to amendments to the following laws:

- Law of Georgia on Arbitration;
- Law of Georgia on Promotion and Safeguards of Investment Activities;
- Law of Georgia on Public Property;
- General Administrative Code of Georgia





### **Draft Law on “Labor Remuneration in a Public Body”**

A draft law on “Labor Remuneration in a Public Body” has been tabled in the parliament the purpose of which is to establish fair, transparent and foreseeable system for remuneration of persons employed in public sector; create system of achievement-based public service; regulate issues related to labor remuneration, grounds and limits of granting gratuities and bonuses.

The presented draft law regulates issues of determining remuneration of persons employed in public bodies; further, it regulates remuneration conditions of part-time work, work during night hours, off-days and holidays, work in the work conditions, which pose risks to health. The draft law applies to any person employed in a public body, irrespective of their legal status of employment.

The adoption of the foregoing draft law may give rise to amendments to the following laws:

- Law of Georgia on Civil Service;
- Law of Georgia on Prosecutor’s Office;
- Law of Georgia on Revenue Service

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### **Case Law**

The Supreme Court of Georgia rendered an important decision on a good faith of a buyer (Case No. 36-567-535-2012), dated 1 August 2012, which is still in force.

The Court examined Articles 312 and 185 of the Civil Code of Georgia and held that the articles concerned cover cases where an intent to dispose of an immovable property is expressed by a registered owner, however the ownership right is being challenged by a third party or is not full, lack of cognizance whereon demonstrates that the buyer is acting in good faith. Where the case concerns purchase of an immovable property, a buyer may rely on the presumption of the correctness of contents of the Register even where the contents concerned are incorrect. The foregoing condition is rendered as unessential by the attitude of a good-faith buyer, which is manifested in the incorrectness of contents of the Public Register. Fiction on accuracy of contents of the Register and, accordingly, incorrectness of a record therein are undermined solely by bad faith actions of a buyer.

In examining the latter issue, it is necessary to look at capacity of a buyer to be cognizant of the incorrectness of the record in the Register and the registered right being challenged or it needs to be established whether the buyer was obliged to be aware of the challenged circumstance within the ambit of reasonable prudence. The interests of a buyer are to be protected not only in light of contents of the Register, but also in respect of the buyer's subjective attitude to the purchase of the property and the extent whereto the buyer availed oneself of its capacity to ensure the possible risks within the ambit of reasonable prudence.

**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:**

**Giorgi Tavartkiladze**  
**Director of Tax & Legal Department**

[gtavartkiladze@deloitte.ge](mailto:gtavartkiladze@deloitte.ge)

**Giorgi Khurodze MLB (Bucerius/WHU)**  
**Head of Legal, Attorney at Law**

[gkhurodze@deloitte.ge](mailto:gkhurodze@deloitte.ge)



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