

EY LAW UPDATES ON

COVID - 19

Seventh edition

The Law of Georgia on Public Health Has Been Amended - Temporary Activities to Be Carried Out Until 15 July 2020 Have Been Determined

- ▶ On 22 May 2020, the Law of Georgia No 5972-ss on Amendment of the Law of Georgia on Public Health was published on the website of the Legislative Herald of Georgia. The certain activities to be carried out before 15 July 2020 were determined under the mentioned Law.
- ▶ According to the Law, the isolation or/and quarantine rule is established by the Government of Georgia or the ministry determined by the Government of Georgia.
- ▶ According to the Law, quarantine measures are:
 - ✓ joint activities applied to the person, who is not ill, but has had or might have had contact with the contagious disease case during contagious period.
 - ✓ the activities envisaged by the normative act, used temporarily during coronavirus and might envisage regulations different from the rules as prescribed by other normative acts of Georgia. Such activities might be establishing temporary restrictions in regards with the provision of public services, movement of persons, ownership, labor, professional or economic activities.
- ▶ According to the Law, in the event of placing a person in isolation or/and quarantine, the following shall be clearly defined to him/her:
 - ✓ The grounds for placement in isolation or/and quarantine.
 - ✓ the right to an attorney.
 - ✓ the right to notify, at his/her discretion, the fact of his/her placement in isolation or/and quarantine to the relative named by him/her, as well as the administration working or education place.
- ▶ The Law became effective upon its publication and remains in legal force until 15 July 2020.

Source and date of publication: the Legislative Herald of Georgia; 22/05/2020.

Isolation and Quarantine Rules Have Been Approved

- ▶ On 23 May 2020, the Ordinance No. 322 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.¹
- ▶ Along with other restrictions foreseen with the Ordinance, international air flights, land and marine transportation are suspended. However, this restriction is subject to the exceptions as prescribed by the Ordinance.
- ▶ The Ordinance foresees restrictions in terms of carrying out the educational process. According to one of the restrictions, institutions for secondary and higher education shall run educational process using distance learning/different means of communication, to the extent possible.
- ▶ The Ordinance restricts gathering of more than 10 individuals for the social related activities as established in public. For example, wedding, any jubilee, commemoration meeting etc.
- ▶ According to the Ordinance, every person is obliged to wear face mask when gathering in the closed public area.
- ▶ Pursuant to the Ordinance, the obligation to wear face mask does not apply to the gatherings of persons at the medical establishments, public establishments, at the defense force, special penitential establishments, legal authorities for performance of their imposed duties.
- ▶ According to the Ordinance, public space is any area (indoor or outdoor), unless it is a place to be used for residential purposes by private individuals.
- ▶ All business activities are permitted with the Ordinance except the following:
 - ✓ On-site catering services at the restaurants, bars, cafes and any canteens, as carried out in closed spaces. This exception will be lifted from 8 June 2020².
 - ✓ Organization/carrying out sports, cultural and entertainment events.
 - ✓ Sports-recreational procedures/activities.
 - ✓ Activities of foreign exchange offices.³ This exception will be lifted from 8 June 2020⁴.
- ▶ According to the Ordinance, business activities shall be carried out in view of the specifics of the facility, by maintaining at least 2 meters of social distance and wearing a face mask. Herewith, recommendations issued by the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia (hereinafter the Ministry of Health) shall be observed.
- ▶ Pursuant to the Ordinance, services of gambling and winning games are permitted to be rendered only electronically.
- ▶ According to the Ordinance, activities of hotels and similar means of accommodation are permitted only for the purpose of arranging quarantine spaces. From 8 June 2020, the activities of hotels and similar means of accommodation may be permitted by virtue of the positive decision issued on the performance of the recommendations of the Ministry of Health.⁵
- ▶ The Ordinance regulates the rules of isolation and quarantine applied to an individual.

¹ The Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

² The Ordinance No. 345 on the Amendment of the Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

³ The Ordinance No. 337 on the Amendment of the Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

⁴ The Ordinance No. 345 on the Amendment of the Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

⁵ The Ordinance No. 345 on the Amendment of the Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

- ▶ The isolation and quarantine rules applied to an individual envisaged by the Ordinance applies to all persons at the territory of Georgia.
- ▶ According to the Ordinance, prior isolation, the corresponding information about the individual's rights and obligations, which shall be observed in isolation or/and quarantine is explained/provided to such person.
- ▶ Corresponding divisions of the Ministry of Internal Affairs of Georgia, the Ministry of Finance of Georgia, the Ministry of Health and the Ministry of Environment Protection and Agriculture of Georgia are responsible for enforcement of the Ordinance.
- ▶ According to the Ordinance, municipalities may be requested to participate in the enforcement of the requirements of the Ordinance.
- ▶ The Ordinance became effective from 23 May 2020 and remains in legal force until 15 July 2020.

Source and date of publication: the Legislative Herald of Georgia; 23/05/2020.

Rules on Isolation and Quarantine Have Been Mitigated

- ▶ The Ordinance No. 337 of the Government of Georgia dated 28 May 2020 was published on the web-page of the Legislative Herald⁶.
- ▶ According to the Ordinance, the following restrictions have been lifted with regards to the means of transportation:
 - ✓ Transporting passengers with M2 and M3 category means of auto transport, within the administrative borders of the municipality.
 - ✓ From 8 June 2020, the inter-city transportation of passengers with M2 and M3 category means of auto transport⁷.
 - ✓ Movement with the public transport, including using the metropolitan and the cable car.
- ▶ Pursuant to the Ordinance, while using public transport, including metropolitan and cable car, every individual has to be equipped with a face mask. The given requirement applies to the driver as well.
- ▶ According to the Ordinance, restrictions were mitigated with regards to offering services at the restaurants, bars, cafes and any other type of dineries. Pursuant to the amendment, offering customers food related services on the spot, at the restaurants, bars, cafes and at any other type of dineries, that occurs in the closed space is considered as a restricted economic activity.
- ▶ Pursuant to the Ordinance, the following is no longer considered as a restricted economic activity:
 - ✓ Trading with clothing and footwear.
 - ✓ Functioning of the trading centers (so called malls) and fairs.
- ▶ According to the Ordinance, the restriction according to the economic activity, taking into consideration its specifications, had to be carried out remotely, has been lifted.
- ▶ The Ordinance removed the restriction, according to which no more than 10 people were eligible to carry out activities from the workplace - the office.
- ▶ The removal of the restrictions with regards to the use of the means of transport has entered into force on 29 May 2020.

⁶ The Ordinance No. 337 of the Government of Georgia dated 28 May on Amendment of the Ordinance N322 dated 23 May 2020 on the Approval of the Rules on Quarantine and Isolation.

⁷ The Ordinance No. 345 on the Amendment of the Ordinance No. 322 of the Government of Georgia dated 23 May 2020 on the Approval of the Isolation and Quarantine Rules.

- ▶ The removal of the restrictions with regards to the economic activity has entered into force on 1 June 2020.

Source and date of publication: the Legislative Herald of Georgia, 28/05/2020

Amendments to the Tax Code of Georgia

- ▶ On 25 May 2020, the Law of Georgia on Amendment of the Tax Code of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ By virtue of the Law, the Code was supplemented with the norms in the form of transitive provisions considering grace activities to be carried out in regards with the novel coronavirus spread.
- ▶ According to the Law, for 6 calendar months starting from 1 May 2020, an employer is entitled to not pay to the state budget personal income tax to be withheld from the remuneration below GEL 750 issued to an employee, provided that the remuneration received by such employee from the same employer was not more than GEL 1500 during one calendar month.
- ▶ Herewith, in 2020 (including in February, March, April and May of 2020) the Minister of Finance of Georgia and the Head of the Revenue Service will be authorized to extend the term prescribed with the Code for payment of the personal income tax or/and property tax payable for maximum term of 1 June 2021 to certain taxpayers. In such case the taxpayer will not be liable for penalty interest envisaged by the Tax Code.
- ▶ By virtue of the Law, the property used in hotels, restaurant and tourism activities are exempted of the property tax payable in 2020.
- ▶ Herewith, the taxpayers will be entitled to apply VAT to financial/operational lease rendered during 6 months starting from 1 March 2020 in the reporting period in which the respective fee is wholly or partially paid.
- ▶ The Law became effective upon its publication.

Source and date of publication: the Legislative Herald of Georgia; 25/05/2020.

According to the Statement of the Government of Georgia Certain Restrictions in Regards with Operation of Restaurants and Hotels May Be Removed

- ▶ On 27 May 2020, the statement was published on the website of the Government of Georgia, according to which certain restrictions introduced in relation with the spread of coronavirus may be mitigated.⁸
- ▶ The statement provides that all types of services may be restored in the restaurants from 8 June 2020.
- ▶ According to the statement, hotels may be opened from 8 June 2020. Herewith, the hotels, having undergone inspection of corresponding agencies of the Ministry of Health and having received the permission may be opened.
- ▶ Pursuant to the statement, intercity transport may begin operation from 8 June 2020.

Source and date of publication: official website of the Government of Georgia; 27/05/2020.

⁸ http://gov.ge/index.php?lang_id=GEO&sec_id=541&info_id=76274

Recommendations Aimed at Preventing of Spread of Novel Coronavirus at the Workplaces Have Been Approved for Different Sectors

- ▶ On 29 May 2020, the Order No. 01-227/o of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ The corresponding recommendations for prevention of spread of novel coronavirus at workplaces have been approved.
- ▶ The general recommendations aimed at preventing the spread of the novel coronavirus (Covid -19) have been approved by the Appendix No. 1 to the Order.
- ▶ Moreover, certain recommendations on prevention of the spread of the novel coronavirus for different sectors have also been approved by the Order, in particular:
 - ✓ For construction sector.
 - ✓ For service/office activity.
 - ✓ For mountain-mining sector, for production and processing industries.
 - ✓ For the supply of electricity, water accumulation/processing and distribution and the waste management.
 - ✓ For agriculture.
 - ✓ For delivery services (delivery/courier service) activity.
 - ✓ For beauty salons and esthetic medical centers.
 - ✓ For higher education establishment laboratories and testing centers.
 - ✓ For retail and wholesale trading.
 - ✓ For automobile tech service.
 - ✓ For various different fields of professional sports.
 - ✓ For establishments carrying out professional educational programmers and professional training/retraining programmers.
 - ✓ For tour operators and tour guides.
 - ✓ For hotels and outdoor/indoor pools.
 - ✓ For public food spots.
 - ✓ For trade malls and trade centers.
 - ✓ For fairs.
 - ✓ For municipal transport.
- ▶ The corresponding recommendations are provided as attachments to the Order.
- ▶ The Order became effective upon its signature.

Source and date of publication: the Legislative Herald of Georgia; 29/05/2020.

The Rule and Procedures of Carrying Out Monitoring and Control of Performance of the Recommendations Developed for the Prevention of Infection Caused by Coronavirus at the Working Places Has Been Approved

- ▶ On 20 May 2020, the Order No. 01-50/n of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia was published on the website of the Legislative Herald of Georgia.⁹

⁹ The Order No. 01-50/n of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia dated 20 May 2020 on the Approval of the Rule of Monitoring and Control of Performance of the Recommendations Developed by the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health

- ▶ The rule and procedures of carrying out monitoring and control of performance of the recommendations developed by the Ministry of Health were approved with the Order.
- ▶ Along with other rules, the facility and entrepreneur entity carrying out business activities, shall complete online registration on www.moh.gov.ge for establishing the compliance of their business activity with the recommendations developed by the Ministry of Health.
- ▶ As the result of inspection of a facility or/and entrepreneurial entity by the supervisory agencies¹⁰, authorized person of the Ministry of Health will take one of the following decisions:
 - ✓ On issuing positive conclusion about performance of the recommendations prescribed by the Ministry of Health.
 - ✓ On issuing negative conclusion about performance of the recommendations prescribed by the Ministry of Health.
- ▶ Reviewing of the inspection acts concluded by the supervisory agencies within the framework of the Ordinance No. 181 of the Government of Georgia dated 23 March 2020 on the performance of the recommendations developed by the Ministry of Health on the working places will be continued with the Rule prescribed by the Order No. 01-50/n.
- ▶ The Order became effective upon its publication.

Source and date of publication: the Legislative Herald of Georgia; 20/05/2020.

State Program for Mitigation of Damage Caused by COVID-19 Has Been Approved

- ▶ On 4 May 2020, the Ordinance No. 286 of the Government of Georgia was published on the website of the Legislative Herald of Georgia.¹¹
- ▶ For the purpose of mitigation of the damage caused by the coronavirus, the program determines the rule of issuance state allowance, the persons authorized to receive the allowance and amount thereof.
- ▶ The state program for mitigation of the damage applies the citizens of Georgia, citizens of foreign countries having permanent residence permits or individuals without citizenship.
- ▶ The state program for mitigation of the damage also applies to the individuals having permanent residence permit under the refugee's or humanitarian status.
- ▶ The program is implemented by the LEPL State Employment Promotion Agency and LEPL Social Service Agency.
- ▶ The possible persons to receive the state allowance, as well as the terms and amount of the allowance have been determined with the Ordinance.

and Social Affairs of Georgia for Prevention of Spread of the Infection (COVID-19) Caused by the Novel Coronavirus (SARS-CoV-2) in the Working Places.

¹⁰ For the purpose of the Order No. 01-50/n of the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia supervisory agencies are: LEPL Social Service Agency; LEPL National Food Agency, State Subdivision Establishment of the Ministry of Environment Protection and Agriculture of Georgia - Environmental Supervision Department; LEPL National Food Agency; LEPL Revenue Service; LEPL Technical and Construction Supervision Agency; self-governing city and municipality, and in case of the Municipality of the city of Tbilisi - the Government of Tbilisi Municipality.

¹¹ The Ordinance No. 286 of the Government of Georgia dated 4 May 2020 on the Approval of the Special Purpose State Program for Mitigation of the Damage Suffered as the Result of the Infection (COVID-19) Caused by the Novel Coronavirus (SARS-COV-2).

- ▶ Subject to the terms and conditions of the Program, the persons authorized to receive state allowance may be employees, socially vulnerable families, persons or/and children with severe disabilities, private entrepreneurs and other persons.
- ▶ The Ordinance became effective upon its publication.

Source and date of publication: the Legislative Herald of Georgia; 04/05/2020.

Anti-Crisis Plan and Stages of Operation of Tourism

- ▶ On 7 May 2020, the Anti-Crisis Plan for Operation of Tourism was published on the website of the Government of Georgia.¹²
- ▶ The tourism Anti-Crisis Plan is comprised of three stages.
- ▶ The first stage of the Tourism Anti-Crisis Plan includes provision of the emergency allowances. Along other activities, such allowance also foresees postponement of 4-months property and personal income tax payments until 1 November 2020 for the tourism-related business entities.
- ▶ The second stage of the Anti-Crisis Plan foresees caring for the employees or employers of the industry. Along with other activities, this includes the allowance in the amount of GEL 200 for 6 months for the downsized persons or those being in unpaid leave.

New stage III of the Anti-Crisis Plan:

- ▶ New stage III of the Anti-Crisis Plan foresees assisting the persons operating in the tourism industry in different manner.
- ▶ For the accommodation and catering facilities, guides and travel companies:
 - ✓ Exemption from property tax of year 2020.
 - ✓ Postponement of personal income tax until the end of 2020.
 - ✓ Subsidizing the co-payment sum for the tourism exhibitions.
 - ✓ Promoting introduction and implementation of the World Tourism Organization (UNWTO) recommendations.
- ▶ For guides and travel companies:
 - ✓ subsidizing interest of banking warranty for 6 months (IATA & GSA).
 - ✓ Training programs for guides
 - ✓ Assistance of guides - free visits to the museums, protected territories etc.
- ▶ Opportunity for using credit-warranty scheme for catering facilities.
- ▶ Subsidizing loans of accommodation facilities in compliance with the terms given in the Anti-Crisis Plan.
- ▶ Tourism restoration is comprised of three stages.

Stage I of tourism revival:

- ▶ Security standards will be introduced at the border checkpoints and airports (IATA/ICAO/EC), accommodation facilities/with guides/catering facilities (World Health Organization (WHO) & (World Tourism Organization (UNWTO)), at transportation companies and in intercity transports.

¹² http://gov.ge/files/288_76050_775262_final_Tourismpresentation.pdf

- ▶ Supporting private sector will take place through introduction of standards, trainings, and guidelines.
- ▶ Negotiations on starting operation will be held with air companies.
- ▶ Safe corridors will be created between countries.
- ▶ Georgia will be integrated into the cooperation of EU states.
- ▶ International marketing campaign "Georgia - Safe Destination" will be launched.

Stage II of tourism revival:

- ▶ Tourism will be opened from 15 June 2020.
- ▶ Safe touristic zones will be created.
- ▶ Internal tourism will be revived.

Stage III of tourism revival:

- ▶ International tourism will begin from 1 July 2020.
- ▶ Land and air borders will be opened in compliance with the safe corridors.
- ▶ Flights will be recovered gradually.

Source and date of publication: official website of the Government of Georgia; 07/05/2020.

Anti-Crisis Plan of the Ministry of Agriculture

- ▶ On 12 May 2020, Anti-Crisis Plan "Caring for the Village and Farmers" of the Ministry of Agriculture was published on the website of the Government of Georgia.¹³
- ▶ Anti-Crisis Plan - "Care for the Village and Farmers" foresees opportunities for rendering different assistance. Within the framework of the Plan, grants with corresponding certain terms and conditions are available for the dairy farms, machinery, greenhouses and irrigation systems; co-financing of loans and agro-insurance may be performed etc.

Assistance of the farmers with small land ownership:

- ▶ Assistance program for farmers with small land ownership was commenced on 20 May 2020.
- ▶ The Program foresees subsidizing agricultural goods and plowing services to the owners of the land plots from 0.25 ha - up to 10 ha. In particular GEL 200 per 1 ha land, and GEL 2.000 per 10 ha land.
- ▶ Within the framework of the Program, co-financing foresees assistance in purchasing following goods and services:
 - ✓ Fertilizers and chemical/biological means for protection of plants.
 - ✓ Chemical/biological means for plant growing.
 - ✓ Seeding and planting materials and service of agrotechnical works (for the owners of the land plots from 1.25 ha to 10 ha).

Full exemption from melioration fees - Promoting manufacturing of agricultural products:

- ▶ According to the Program, melioration fee payable of 42,000 individuals and legal entities will be completely written off for up to GEL 8 million.

¹³ http://gov.ge/index.php?lang_id=GEO&sec_id=288&info_id=76108

- ▶ According to the Program, in 2020, 42,000 individuals and legal entities will be completely exempted of the melioration fee for the land plots below 10 ha. Tax of GEL 5 million will be written off to the farmers.

**50% grant for agro-production -
promoting primary production increase:**

- ▶ The program for promoting primary production increase was commenced from 20 May 2020.
- ▶ Co-financing of the program foresees 50% assistance, not more GEL 50,000:
 - ✓ for purchasing agricultural machinery.
 - ✓ for arranging new greenhouse farms or/and modernization of existing greenhouses.
 - ✓ purchasing/installation of irrigation systems for annual agricultural crops.

**Introduction of international standards -
promoting growth of manufacturing Georgian
agricultural products of high quality:**

- ▶ According to the program, co-financing will be received by the beneficiaries already using the state agricultural programs.
- ▶ The Program is comprised of 50% co-financing, not more than GEL 15,000, and for the cooperatives - 90% co-financing, not more than GEL 25,000.
- ▶ According to the Program, the allowance will be determined for the following directions:
 - ✓ Introduction of international standards for food safety.
 - ✓ Receiving accounting services by cooperatives.
 - ✓ Purchasing equipment/machinery for cooperatives.
- ▶ Along with other issues, the Plan also foresees opportunities for issuing grants to the cooperatives. For example, 70% co-financing of processing plants for honey and dairy products will be provided in Gori, Akhalkalaki, Dmanisi and Dusheti.
- ▶ The Plan is comprised of the opportunities for receiving new bank benefits for agricultural enterprises. The corresponding terms and conditions of bank benefits are presented in Anti-Crisis Plan.

Source and date of publication: official website of the Government of Georgia; 12/05/2020.

Anti-crisis Plan for Education

- ▶ Anti-crisis Plan for education was published on the website of the Government of Georgia, dated 15 May 2020.¹⁴
- ▶ The plan addresses the remote and online learning at schools as well as at the higher education establishments.
- ▶ According to the plan, due to the results achieved by implementation of remote learning, academic year will not be announced, and the students will proceed onto the next grade.
- ▶ The plan includes the end dates for the 2019-2020 academic year, as well as the annual evaluations and the terms and rules for the improvement of the yearly scores.
- ▶ According to the plan, at this stage, the change for dates of the national exams are not considered.
- ▶ The plan determines the changes with regards to professional education and the ongoing activities.

Source and date of publication: official website of the Government of Georgia, 15/05/2020

¹⁴ http://gov.ge/index.php?lang_id=GEO&sec_id=288&info_id=76154

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