

Tax and Legal Alert

**Overview of changes in Georgian legislation
August, 2020**



Legal news:

An amendment was made to Article 10 of the Law of Georgia on the Rules of Departure and Entry of Georgian Citizens into Georgia and stipulates that the crossing of the state border of Georgia should be refused even if person travels to an EU member/Schengen country with which Georgia has a visa-free regime and at least one of the following circumstances exists:

A) a citizen of Georgia is prohibited from entering any country of the EU/Schengen area and this fact is known to the body authorized to control the state border of Georgia;

B) a citizen of Georgia can not submit:

B.a) Relevant biometric passport issued during the last 10 years, the validity of which is not less than 3 months from the date of leaving the territory of the European Union/Schengen area by a citizen of Georgia;

B.b) a valid travel ticket required to leave the EU/Schengen area or a valid booking document for such a travel ticket;

B.c) a valid booking document of a hotel or other accommodation located in the EU/Schengen area, another relevant document certifying the right to live in this hotel/accommodation or the consent of the host legally residing in the EU/Schengen area to accommodate a Georgian citizen at his/her place of residence, as well as information on the address of the hotel/place of residence;

B.d) a health insurance document valid within the territory of the European Union/Schengen area;

B.e) the means of financing the trip or the document certifying the financial support of the trip.

On September 02, 2020, the President of the National Bank of Georgia issued an order "On Approval of the Rule of Strong User Authentication".

The purpose of the rule is to ensure the secure authentication of the payment service user, including the protection of the confidentiality and integrity of the personalized security features of the payment service user, as well as to reduce the risk of fraud

and other illegal activities. Efficient and reliable operation will increase customers' trust in payment services and cashless payments.

The payment service provider is obliged to ensure strong authentication of the user in compliance with the requirements of the rule defined by the order, when its customer-payer performs:

- A) access to his/her payment account remotely online;
- B) initiating an electronic payment transaction;
- C) any action through a remote channel that carries the risk of fraud and/or other illegal action.

The payment service provider is obliged to document the implementation of the security measures defined by this rule and to periodically check (test), evaluate and audit at least once a year in accordance with the rules established by it. The audit should include assessing and reporting the compliance of the payment service provider's security measures with the requirements of this rule.

Sources:

1. <https://matsne.gov.ge/ka/document/view/4978736?publication=0>

2. <https://matsne.gov.ge/ka/document/view/4983845?publication=0>

Tax News

No significant amendments have been made in Georgian Tax Legislation in August.

Matters covered in this publication are intended for general overview and discussion. They are not intended, and shall not be used, as substitute to seeking professional advice for specific issues

In case you need additional information, our tax and legal experts will be happy to comment and clarify all possible matters on the amendments.

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