
PwC Georgia Tax & Law Brief

4 April 2017

The Order #43/04 of the President of the National Bank of Georgia

Payment Service Provider's reporting obligation

The Order approves reporting rules for the Payment Service Provider (Provider) regarding money laundering and terrorism financing supervision.

Provider submits following information to the National Bank of Georgia (NGB):

- Information about Provider (name, supervisory board members, beneficial owners, directors, subsidiaries and their registration countries, persons carrying out monitoring activities etc.);
- Information about different risk level clients and number of transactions and amounts effected;
- Information about the clients who have been identified based on the information obtained from the third party (name of the clients, the source of the obtained information);

Reporting term

Provider submits the report to the NGB twice per year:

- For the period of January - June – not later than 31 July;
- For the period of July - December – not later than 31 January of the following year;

Source: Legislative Herald of Georgia, 29 March 2017

The Order #97 of the Minister of Finance of Georgia

Temporary import of the goods

- According to the Order, the temporary import of the specific goods for the international forums (assembly, symposium, conference etc.) and for sports competitions, could also be exempt from the import duties, if the foreign enterprise/organization or non-resident person remains the title holder of these goods.
- For the temporary import purposes, the musical instruments, concert and stage decorations, organizational and demonstration devices are also added to the list of specific good which could be delivered into Georgia without import duties.

Source: Legislative Herald of Georgia, 28 March 2017

Draft Amendments to the Law of Georgia on the Insolvency Proceedings

The draft amendments to the law on the Insolvency Proceedings has been submitted to the Parliament of Georgia.

Request the rehabilitation

- According to the draft amendments, a debtor may request through insolvency application opening of bankruptcy as well as rehabilitation proceedings. In case of rehabilitation, the debtor has to submit the rehabilitation plan to the court.

Easing criteria for creditors to request insolvency proceedings

- The existing version of the law states, that only certain creditors, who meet the criteria defined by the law, are entitled to submit application to the court to commence insolvency proceeding against the debtor. Under the draft amendments, any creditor may request opening of insolvency proceedings if he/she justifies necessity of opening the insolvency proceeding. The debtor may provide its counter position within 4 days of application by the creditor.

Receive the information about the proceeding

- Under the draft amendments, creditors have right to request information and documentation related to an insolvency proceeding.

extending the period of restricted actions

- Under the draft amendments, the period for certain action by the company that are restricted as being damaging to the creditors is extended. In particular, certain action within 1 year of opening up the insolvency proceedings would be deemed as damaging to the creditors interests. According to the existing law, this period is 6 months.

Source: The Parliament of Georgia, 28 March 2017

The Draft Amendments to the Law of Georgia on Personal Data Protection

Special Category Data

- The Parliament of Georgia has passed the draft amendments on the second hearing, according to which Special Category Data processing shall also be possible with written consent of a data subject if the data is processed for the purposes of migration.
- Under the law, Special Category Data includes any information connected to a person's racial or ethnic origin, political views, criminal history etc.

Source: The Parliament of Georgia, 27 March 2017

Let's talk

For a deeper discussion of how this issue might affect your business, please contact PwC Georgia

Sergi Kobakhidze

Director, Tax & Law Practice
E-mail: sergi.kobakhidze@ge.pwc.com
Tel: + 995 32 250 80 50

Vano Gogelia

Head of Legal Services
E-mail: vano.gogelia@ge.pwc.com
Tel: + 995 32 250 80 50

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