

## BGI Law Brief

January 2023

### Changes to the Law on Broadcasting

On 22 December 2022, the Parliament adopted number of amendments to the Law on Broadcasting. The amendments, *inter alia*, broaden and specify the scope of its application and introduce the concept of "media services", which includes audiovisual media services and radio broadcasting. In this respect, audiovisual media services include telecasting, on-call audiovisual media services, and audiovisual advertising communications.

Additionally, the said amendments introduce the notion of video-sharing platform services, which, as the services alternative to media services are also subject to regulation. The providers of both the media services as well as video-sharing platform services are subject to authorization. The authorization requirement only applies to the providers of video-sharing platform services, which (a) are established in Georgia, (b) have a parent company established in Georgia, (c) have a subsidiary established in Georgia (unless its parent company is established within the EU), (d) are members of a group that includes an entity established in Georgia, unless its parent company or subsidiary company is established within the EU. The amendments introduce provisions with respect to prohibition of dissemination of programs and advertisements containing hate speech and incitement to terrorism, prohibition of the use of minor's personal data for commercial purposes, rights of persons with disabilities, the right to respond to incorrect facts transmitted, promotion of products of European production, *etc.*

From 1 January 2024, broadcasters in Georgia are required to devote at least 10% of their television time (excluding time allocated to news programs, sports events and games, advertising, teletext and teleshopping) or, alternatively, at least 10% of their program budget to European productions created by producers independent of the broadcasters. The rest of the amendments entered into force from 30 December 2022.

According to the explanatory note, these changes are aimed at harmonization of the respective legislation with the EU directive 2010/13/EU as amended by 2018/1808/EU.

### List of Reference Prices of Pharmaceuticals Approved

On 15 January 2023, the Minister of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs ("MoH") issued Order N2/n on Approval of the List of Reference Prices for Pharmaceutical Products, which enters into force on 15 February 2023. The list includes international nonproprietary names of pharmaceutical products, their types, potency, pharmaceutical form and package size, as well as the wholesale capped upper price of the package, marginal capped upper price per package and the capped upper unit retail price. Applications containing complaints with respect to the published prices can be submitted electronically at [erpclaims@moh.gov.ge](mailto:erpclaims@moh.gov.ge).

### Increased Fees for the Services provided by LEPL Revenue Service

On 30 January 2023, the GoG adopted Resolution N43 on the Amendment of Resolution N96 on the Approval of Fees for the Provision of Services by a LEPL Revenue Service and Their Rates. According to the amendment, the fees for certain services provided by the Revenue Service have increased, for example: assigning a seven-digit code related to petroleum products, granting the status of micro business to a natural person, issuance of information about an individual's own income, *etc.*

In additional, certain services and corresponding fees have been added, such as: issuance of a notice on registration as a taxpayer, submitting an application for granting the status of an international company, submitting an application for granting the status of a special trading company, *etc.* These changes enter into force on 20 February 2023.

## Changes in the Tax Administration Rules

On 13 January 2023, the Minister of Finance issued Order N7 on the amendment of Order N966 on Tax Administration (“**Order N966**”). Under the amendment, Article 71 has been added to Order N966, which deals with the cancellation of the taxpayer’s registration by the tax authority. The provision lists the persons subject to tax registration and indicates the documents required for the cancellation of the taxpayer registration in each case. The provision determines the term of the cancellation procedure, the conditions for declining the request on cancellation and the terms for curing of an error established by the tax authority in connection with the cancellation request.

## Amendments to the Concept of the Electricity Market Model

On 30 December 2022, the Government (“**GoG**”) introduced amendments to Resolution N246 on the Approval of the Concept of Electricity Market Model dated 16 April 2020. Pursuant to the amendments, producers of electricity providing public services, which, under GoG resolution, are assigned the obligation to maintain guaranteed capacity (emergency reserve), are restricted to purchase and/or sell electricity on an organized market for a respective power plant during the period of provision of such guaranteed capacity, except for the right to purchase electricity for their own use.

Also, the amendments refer to Article 11 of the Agreement on the “Cooperation in the Field of Energy” executed between the GoG and the Government of the Republic of Turkey (“**GoT**”) on 9 April 2015 and establish that for the purposes of repayment of the electricity debt recognized by GoG towards the GoT, the Electricity System Commercial Operator (“**ESCO**”) is designated as a supplier of electricity on behalf of Georgia.

The amendment contains Annex 2 – Principles of Implementation of Wholesale Public Service Obligations by ESCO, which shall come into force on 31 March 2023. One of the chapters of the Annex deals with the formation and management of a ‘Special Fund’ – a fund dedicated to the complete and effective implementation of the wholesale public services.

In this regard, the amendments require Ministry of Economy and Sustainable Development to ensure the adoption of the following normative acts by 31 March 2023, upon their submission by ESCO:

- (a) Instruction of the Special Fund;
- (b) Wholesale public service operation rules;
- (c) Balance of the Special Fund.

\*\*\*\*\*

*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.*

*For questions or inquiries please contact:*

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

Luka Kodua, Junior Associate  
[luka.kodua@bgi.ge](mailto:luka.kodua@bgi.ge)

© **BGI Legal. 2023**