

BGI Law Brief

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Human Rights Concerns Prompt OSCE Fact-Finding Initiative in Georgia

On 29 January, 26 OSCE member states, led by the UK and Sweden, expressed escalating concern over human rights situation in Georgia, citing persistent shortcomings in implementing OSCE commitments. Concerns raised via the Permanent Council and the December 2024 Vienna Mechanism have intensified since spring 2024. Invoking paragraph 12 of the 1991 Moscow Document, the States called for an OSCE fact-finding mission, urging Georgia to cooperate fully, including nominating one mission member from the ODIHR List of Experts.

Punitive Laws Criminalizing Political Activity

Also on 29 January, the GD Parliament initiated a legislative package expanding state control over citizens' and legal entities' "political activity", requiring prior government approval for broadly defined "grants," including foreign funding, technical assistance, expert services, and activities linked to political or public influence. The amendments introduce criminal liability of up to 6-year prison sentence for violating the new restrictions linked to political activity. "External lobbying" is also criminalized.

The package introduces a notion of a foreign legal entity whose activities substantially relate to Georgia. Such entities, including organizations registered abroad but operating primarily in Georgia, would be permitted to receive grants only after obtaining a prior approval from the GD government. Receiving funding without approval would trigger criminal liability.

The package further imposes severe restrictions on citizens' and legal entities' "political activities" as well as an eight-year ban on party membership for individuals employed by organizations receiving foreign funding. The amendments shall trigger prohibitive financial penalties on entrepreneurs engaging in broadly defined "public political activities" unrelated to their core operations.

Notably, the original stated purpose of the amended grants legislation was "transparency".

Private Sector Pricing Practices Targeted

GD government has announced that consumer prices in Georgia are higher than in the EU and has initiated a public campaign targeting private sector and has created a special commission to study the issue. GD Prime Minister, who chairs the commission, has stated that one of the contributing factors to rising prices was the doubling of the number of supermarkets in recent years. The State Security Service (the so-called "SUSI") has raided 40 large companies engaged in distribution of FMCG, extracting all documentation related to formation of final shelf prices of consumer goods. Notably, the commission does not examine pricing policies in state services, nor the significant increases in administrative fines and penalties, which have risen three to fivefold in recent years.

Some pundits have suggested that this initiative may have been launched to take the spotlight away from the recent scandal related to the BBC investigation of the alleged use by GD authorities of banned chemical substances against protesters.

Mandatory *Ex Parte* Strike Injunctions Ruled Unconstitutional

The Constitutional Court ruled in Case of "Ertoba 2013" v. Parliament on the constitutionality of court-ordered strike restrictions. The case *inter alia* challenged Article 193 of the Civil Procedure Code, which required preliminary injunctions—often used to suspend strikes—to be decided within 24 hours without notifying the defendant or holding an oral hearing.

The Court found the mandatory exclusion of oral hearings unconstitutional, holding that a blanket provision mandating *ex parte* procedure fails the proportionality test and undermines the right to a fair trial. While urgent action may be justified in some cases, an absolute ban on adversarial proceedings was deemed excessive. As a result,

Georgian courts now have the discretion to decide whether a preliminary injunction application requires an oral hearing with notice to the defendant.

Limits on Beneficiaries of Ownerless Property Invalidated

The Constitutional Court has delivered a judgment in the case of Giorgi Khorguashvili v. Parliament of Georgia, examining the constitutionality of Article 1343 of the Civil Code concerning escheat (ownerless) property.

The challenged provision limited the transfer of ownerless/unclaimed property exclusively to the State or, in case the deceased had been maintained by specific public or social care institutions, to those institutions. The law did not allow for the transfer of such property to private individuals, regardless of their role in caring for the deceased.

The Constitutional Court held that excluding private individuals who, despite lacking the formal status of the listed institutions, provided comparable or superior care to the deceased, was unjustified. The Court found that the regulation resulted in discriminatory treatment of persons in similar circumstances, in violation of the constitutional principle of equality. Accordingly, Article 1343 of the Civil Code was declared unconstitutional. The invalidation of the provision will take effect from July 2026.

Restructuring in the Field of PDP, Anti-Corruption Oversight and Business Ombudsman's Office

On 17 December 2025, GD Parliament adopted a legislative package amending the Law on Personal Data Protection and a number of related legislative acts. Pursuant to the amendments, the Legal Entity of Public Law - Anti-Corruption Bureau and the Personal Data Protection Service shall be dissolved as of 2 March 2026, and their respective functions and powers shall be transferred to the State Audit Office of Georgia. Consequently, references to the Personal Data Protection Service and the Anti-Corruption Bureau across Georgian legislation have been replaced by the State Audit Office.

On the same date, GD Parliament adopted a law on the liquidation of the Business Ombudsman's

office, transferring its functions to the Ministry of Economy and Sustainable Development.

Tax Legislation Concerning Multinational Enterprises Amended

On 12 November 2025, GD Parliament adopted amendments to the Tax code concerning the deadline for submitting country-by-country reports by multinational enterprise groups. Under the revised regulation, the ultimate parent entity of a multinational enterprise group that is a resident of Georgia is required to submit a country-by-country report to the tax authority no later than 12 calendar months following the end of the reporting fiscal year.

This clarification removes prior ambiguity regarding the applicable reporting period, particularly in situations where the 2024 fiscal year of a multinational enterprise group concludes in the 2025 calendar year, thereby enhancing legal certainty for affected taxpayers.

The amendments are effective as of 1 January 2026.

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