

# EY TAX AND LAW BRIEF

February 2021

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## Amendments to the tax administration rule

- ▶ On 2 February 2021, the Order of the Minister of Finance of Georgia on Amendment of the Order No. 996 of the Minister of Finance of Georgia on Tax Administration was published on the website of the Legislative Herald of Georgia.
- ▶ The rule of filling calculation of fee for using natural resources was specified with the amendments.
- ▶ Following was determined with the amendments:
  - ✓ In case, the amount of the resource actually obtained during any reporting period of a year exceeds planned volume of the same period, the volume of actually obtained resource is subject to inclusion in calculation;
  - ✓ If the license/its part is leased out, the fee is calculated and paid by the license holder;
  - ✓ If total amount of the resource to be obtained under the license is utilized by the license holder before expiration of the license term, he/she is obliged to apply to the license issuing body for cancellation of the license.

- ▶ The Order became effective upon its publication.

Source and date of publication: the Legislative Herald of Georgia; 02/02/2021.

- ▶ On 17 February 2021, the Order of the Minister of Finance of Georgia on the Amendment of the Order No. 996 of the Minister of Finance of Georgia on Tax Administration was published on the website of the Legislative Herald of Georgia.
- ▶ According to the amendments, Georgian resident physical person (except private entrepreneur) can perform tax registration by application to the tax agency via video call before commencement of business activities.
- ▶ The Order will become effective on the 30th day from its publication.

Source and date of publication: the Legislative Herald of Georgia; 18/02/2021.

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## The form of recording work time and the rule of its tracking

- ▶ On 12 February 2021, the Order No. 01-15/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.
- ▶ The rule and the form of recording the working time were approved with the Order.
- ▶ Obligations of an employer were determined with the Order:
  - ✓ To record in writing or/and electronically the time worked by the employees on the working day, and
  - ✓ To introduce monthly document of work time recording (worked hours) to the employee, except if it is impossible in terms of the specificities of work organization.
- ▶ Along with other issues, the rule of filling the work time tracking form was also approved with the Order.
- ▶ The Ordinance became effective on 1 March 2021.

Source and date of publication: the Legislative Herald of Georgia; 12/02/2021.

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## Code of Ethics and Professional Conduct for Banking and Securities Market Participants

- ▶ On 3 February 2021, the Order No. 13/04 of the President of the National Bank of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ The Code of Ethics and Professional Conduct for Banking and Securities Market Participants was approved with the Order.
- ▶ Activities of the following persons are regulated with the Code:
  - ✓ Commercial banks,
  - ✓ Brokerage companies,
  - ✓ Asset management companies and
  - ✓ Members of shareholder/managing body of the above listed entities, administrators and employees, being correspondingly engaged in banking, brokerage or/and asset management activities.
- ▶ Along with other issues, the Code determines general principles of ethics and supervisory actions and sanctions.
- ▶ The order will become effective from 2 August 2021.

Source and date of publication: the Legislative Herald of Georgia; 03/02/2021.

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## The rule of using animal food and its placement on the market

- ▶ On 9 February 2021, the Ordinance No. 57 of the Government of Georgia, the Ordinance No. 58 of the Government of Georgia and the Ordinance No. 59 of the Government of Georgia were published on the website of the Legislative Herald of Georgia.
- ▶ Following was approved with the Ordinances:
  - ✓ The list of targeted use of animal food of special nutritional purpose.
  - ✓ The rule of using animal food and its placement on the market.
  - ✓ Catalogue of the animal food material.
- ▶ Along with other issues, the Ordinances established the rules for the placement and use of food and non-food animal feed on the market, including the requirements related to their labeling, wrapping and presentation.
- ▶ The Ordinances will become effective from 1 January 2023.

Source and date of publication: the Legislative Herald of Georgia; 09/02/2021.

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## Draft Code of Enforcement

- ▶ On 22 February 2021, the Law of Georgia - Draft Code of Enforcement was published on the website of the Parliament of Georgia.
- ▶ The Draft Law regulates the process of enforcement of the documents to be enforced, and arrangement and activities of the Chamber of Executives of Georgia, and the rule and terms of service by the National Bureau of Enforcement.
- ▶ The institutes of the “executives of the National Bureau of Enforcement” and “private executives” are cancelled and new system of enforcement is formed with the Draft Law.
- ▶ One of the components of the new system of enforcement is the Chamber of Executives, comprised of all executives. Separate executives will have their area of operation determined along with their assignment to the position.
- ▶ Along with other issues, the Draft Law determines the following:
  - ✓ The peculiarities specific to case proceeding in case of abundance of persons in course of enforcement proceedings.
  - ✓ The rule and procedures of information of the persons participating in the enforcement proceedings.
  - ✓ Special rules of enforcement in regard to the sequestration of securities, intellectual property, air and marine vessels, and the items placed in the safe deposit box.
  - ✓ New service of the National Bureau of Enforcement - performance of obligation by deposition. Herewith competences on deposition of the National Bureau of Enforcement and notaries are separated. The notary maintains the right for deposition of money and securities, and the National Bureau of Enforcement will perform deposition of items.
  - ✓ New services - simplified proceedings for registration of separate agreements and issuing order of unperformed cash obligations related thereto, and performance of procedural actions in 24-hour mode.
- ▶ Subject to the Draft Law, in case of approval of the draft, Enforcement Code will become effective gradually and will enter full force from 1 October 2022.

Source and date of publication: the website of the Parliament of Georgia; 22/02/2021.

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## The Regulation on the access to the vehicles and resolution of the disputes related to the access

- ▶ On 29 October 2021, the Order No. 11/004 of the Head of the Legal Entity of Public Law the State Agency of Oil and Gas under the Ministry of Economy and Sustainable Development of Georgia was published on the website of the Legislative Herald of Georgia.
- ▶ The Regulation on the access to the vehicles and resolution of the disputes related to the access prescribed by the Law of Georgia on Energy and Water Supply was approved with the Order.
- ▶ Along with other issues, the regulation applies to the following:
  - ✓ Basic requirements for the access of the natural gas entities and qualified users determined with the Law of Georgia on Energy and Water Supply to the vehicles.
  - ✓ Requirements for the equipment and devices of natural gas entity or/and qualified user.
  - ✓ The rule of exploitation of the natural gas equipment and devices by the qualified user.
  - ✓ The rule of resolution of the disputes related to the access to the vehicles.
- ▶ This Order became effective from 29 January 2021.

Source and date of publication: the Legislative Herald of Georgia; 29/01/2021.

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