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WAVE OF AMENDMENTS TO LABOR REGULATIONS – LEGITIMATE CONCERN FOR WORKERS RIGHTS OR POPULISTIC ATTEMPT TO SOLVE COMPLEX ECONOMIC ISSUES

In autumn 2019, three bills were initiated at the Georgian Parliament allegedly aimed at introducing employee friendly regulations. The authors of the respective bills are Georgian Trade Unions Confederation and the members of the Parliament of Georgia. None of the bills has yet reached the first session of Parliamentary hearings. The bills are currently heavily discussed among various business associations and other interest groups since they will have major impact on business climate in Georgia.

The bill submitted by the Georgian Trade Unions Confederation defines full-time employment as labor relations, which obliges an employee to work minimum 120 hours per month, whereas part-time employment is considered to require work for less than 120 hours per month. If adopted, the minimum wage for full time job will be set at GEL 320 and minimum wage for part-time job will amount to GEL 2 per hour.

Alternative legal document prepared by the members of the Parliament stipulates that full-time employee is a person who works for 40 hours or more each week, whereas part-time employee is a person who works less than 40 hours a week. According to the bill, minimum monthly wages shall satisfy the subsistence minimums calculated periodically by the National Statistics Office of Georgia.

Last but not least, the bill initiated by a different group of Parliament members sets ceiling for overtime work. As specified therein, overtime work should not exceed 2 hours per day and 8 hours per week.

ANOTHER CRUSADE AGAINST GAMBLING

Recent wave of public uproar objecting to the advertisement of gambling in Georgia lead to the initiation of the campaign "Protect Your Child" against the gambling business, allegedly aimed at guarding minors from gambling addiction. As a response to the outcry, the members of the Parliament of Georgia proposed a package of legislative amendments.

It is proposed to ban advertisement of gambling. Particularly, anticipated amendments to the Law of Georgia on Broadcasting, as well as the Law on Advertising prohibit any kind of advertisement of games of chances and other prize games through any means of communication or otherwise (in magazines, internet and/or outdoor advertisement). Business may be allowed to use buildings of their establishments for information purposes. However, even such use shall be limited up to 10 square meters, violation of which may result in the penalty of GEL10,000.

Changes are planned to also apply to the Law of Georgia on Payment Systems and Payment Services, which may prohibit payment service providers from entering into legal relationship with foreign gambling businesses and from enabling online transactions for them. As the package of the legislative amendments were initiated just recently,

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one can only speculate on its potential effect for the Georgian economy, as well as whether this is publicity stunt or genuine concern of the Parliament.

UPCOMING AMENDMENTS TO THE LAW ON STATE PROPERTY BENEFITING MINERAL LICENSE HOLDERS

On 23 September 2019, the bill of amendments to the Law of Georgia on State Property was submitted to the Parliament. The bill is expected to create favorable setting for mineral license holders. It aims to sensibly streamline the procedure of transferring the right to use the state property with the purpose of setting up the infrastructure needed for processing extracted resources. Pursuant to the amendments, conducting the auction is no longer required and the right to use state property is directly transferred to the license holders for a maximum term of 49 years, provided that the said term shall not exceed the license term itself and cancellation of the license shall lead to the automatic termination of such right to use. The bill further determines the maximum area of the land plot to be transferred for usage and lays down the rules for calculation of the usage price. Stay tuned to hear more about how the bill progresses in the Parliament.

NEW REGULATIONS AIMED AT SAFEGUARDING CHILDREN'S BEST INTERESTS

On 20 September 2019, the Parliament of Georgia adopted the Code on Children's Rights. The new code aims to ensure well-being of children by promoting the effective implementation of the Constitution of Georgia, the UN Convention on the Rights of the Child, additional protocols of the latter and other international legal acts recognized by the State. The Code on Children's Rights sets out the main principles that shall be guaranteed for children in order to develop their full potential. Among other rights, the code recognizes the fundamental human dignity of all children and the urgency of ensuring their well-being and development. The code clearly recognizes that basic quality of life shall be the right of all children, rather than privilege enjoyed by few.

In connection therewith, significant changes are made to the Civil Code of Georgia. Particularly, disposal of immovable property owned by minors by their parents or legal representatives becomes subject to the judicial approval. The same rule applies to movable assets, the value of which exceeds GEL 1,000. The rationale behind the amendment is to ensure that interests of children are placed at the heart of all decision-making affecting them. It is rather symbolic that the Code shall enter into full legal force as of 1 June 2020, the International Child Protection Day.

