

## NEW LAW ON MEDIATION SOON TO BE ADOPTED

On 29 May 2019, the Parliament passed the Bill on Mediation at the second hearing. The Bill is expected to be finally approved and become effective from 1 January 2020. Enactment of the new law is likely to reduce the court workload. The highlight of the proposed bill is establishment of a self-regulated body – Association of Mediators of Georgia. Any court-appointed mediation shall be conducted by a mediator or mediators selected from the list of mediators maintained by such association, while private mediation can be conducted by mediator(s) chosen by the parties outside of such list. The law also determines that the agreement on mediation must be in writing and that the commencement of mediation suspends running of the limitation terms. The law further provides for the confidentiality obligations, criteria for impartiality and independence of mediators and generally determines mediation procedures, including, but not limited to enforcement of the mediated settlement agreement through courts of law.

## ORGANIC LAW ON AGRICULTURAL LANDS FINALLY ADOPTED

On 25 June 2019, the Parliament of Georgia chaired by newly elected Speaker - Mr. Archil Talakvadze, finally approved largely debated Bill on Ownership of Agricultural Lands. As discussed in our previous newsletters, the law is aimed at broadening the constitutional limits of permitted owners of agricultural lands and confers rights to foreign individuals/legal entities to acquire such lands, provided that certain preconditions are met. Such preconditions are regulated under the law and, inter alia, include circumstances when a foreigner acquires land through inheritance, company with a dominant foreign participation acquires the land through investment plan approved by the Government, or when IFIs and local financial institutions with foreign participations acquire agricultural lands through

foreclosure of collateral or otherwise, as a result of their permitted activities in Georgia. Notably, unlike what was suggested in the proposed bill, the law, as adopted by the Parliament, shall not have retroactive effect.

## GEORGIA FURTHER RESTRICTS ITS RESIDENCY POLICY

On 24 May 2019, the Law of Georgia on the Legal Status of Aliens and Stateless Persons was amended to adopt stricter policy for issuing property-linked, investment and work immigration visas and residence permits. To be eligible for permanent residency, foreign individuals must reside in Georgia for at least 5 years without interruption. In addition, annual turnover of the investor in Georgia shall amount to at least USD 50,000 in the first year, USD 100,000 in the second year and USD 120,000 in the subsequent years or they must continuously own immovable property during 5-year period with the market value of not less than USD 300,000. Thresholds for the minimum wages, as well as the annual turnover of the employer has been increased for the work residence permits. The amendments shall come into effect from 5 July 2019.

## NEW CONSUMER PROTECTION LAW IS UNDERWAY

With the aim of avoiding unfair, deceptive and fraudulent business practices in Georgia and further to comply with the requirements of the DCFTA, Bill on Protection of Consumers Rights has been lodged with the Parliament of Georgia on 12 June 2019. The bill, among others, regulates unfair standard terms of consumer contracts, provides statutory warranty periods and sets out the rules and requirements for termination of consumer contracts. Most importantly, the bill designates the Competition Agency of Georgia as a body overseeing the compliance with the new consumer protection regulation

### For more information and advise please contact us:

129a David Aghmashenebeli Ave, Tbilisi, 0102, Georgia  
Tel.: +995 32 292 24 91, 292 00 86, 200 04 91  
bhc@bhc.ge bhc.ge

