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LEGAL NEWS

In this issue we shall discuss the most significant legislative amendments, currently deliberated in the respective ministries, as well as some legislative novelties with implication on businesses.

UPCOMING LAWS on agricultural lands

Among the intended amendments are the legislative initiative elaborated by the Ministry of Justice applicable to the ownership of agricultural lands by the foreigners and the companies (including Georgian) with the foreign interest. Despite the decision of the Constitutional Court overruling the previous attempts of the government of restricting foreign ownership of agricultural lands, the intended legislative novelties are further restricting the ownership rights of foreigners with no demonstrated experience in agriculture business or in the proximity to borderline, etc. Currently the public registry, authority under the Ministry of Justice, routinely refuses to register title transactions over agricultural lands when the buyers are either the foreign natural persons or companies with foreign participation.

On Commercial Arbitration

Ministry of Justice will soon submit to the Parliament amendments to the Law on Arbitration intended at synchronizing the current model with UNCITRAL model law.

Amendment to the laws on ownership of firearms

The respective amendments to the current regulations applicable to the ownership of firearms are intended to introduce certain restrictions to the acquisition and ownership of firearms. Respective licensing requirements, as well as the rules of safekeeping are changed.

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On the Law on Entrepreneurs

Parliament will soon review the amendments to the corporate laws clarifying the rights of the partners of the companies on bringing derivative suits vis-à-vis the third parties. Partner's derivative claims are valid if the companies fail to file the law-suits or justify the respective action within 90 days.

On the Civil Procedure Code

Under the proposed amendments to the Civil Procedure Code, the Supreme Court shall review the compensation cases only when the claim exceeds GEL 200 000. According to the whitepaper appended to the intended amendment, the law is aimed at decreasing the workload of the Supreme Court. At the same time, the explanatory note clarifies that the cases with the claim amount exceeding the said threshold shall be deemed accepted by the Supreme Court automatically. Currently the supreme court is deliberating on the acceptability of the claim for several months and in the most cases refusing to review the case. Supreme Court is currently acting only as a judicial authority observing the correct court practices and application of the proper procedure by the lower courts, but according to the amendment, Supreme Court may act as a second appeal on the civil cases.

GEORGIAN GOVERNMENT ON COMPETITION

On September 1, 2014 the GOG introduced regulations on the Competition Law. The respective regulations intended to introduce exemptions applicable to the agreements restricting competition. The exemptions are applied if the agreements are intended to support improvement of supply, technical progress, etc. The respective regulation applies to the vertical agreements with distributors and the ones in the transport sector, horizontal or vertical agreements on the transfer of technology, aimed at focusing the production/business in certain specific segment, mutual research tools, etc.