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## LEGAL NEWS

### **Immigration Law**

Substantial amendments have been introduced to the Law of Georgia on the "Legal Status of Aliens and Stateless Persons." As of December 25, 2014, foreign citizens will be able to obtain Georgian visa locally by applying to the consular department of the Ministry of Foreign Affairs.

Foreign citizens, who entered the country before 17 March 2014 and stayed in Georgia until December 25, 2014, may obtain a Georgian immigration visa even after his/her lawful stay in Georgia expires, until 1 March 2015 (except when he/she was refused a Georgian residence permit). Period of unlawful stay, before granting visa, shall be considered legal and will not trigger any sanctions.

### **Tax**

Proposed Bill on amending the Tax Code of Georgia aims at reinstating the possibility of tax settlements, including decreasing sanctions and penalties, with the taxpayers involving the assessments with regards to the use of natural resources.

### **Important Court Practice on Labor Issues**

By its decision rendered on 16 September 2014 on a labor dispute, Tbilisi Court of Appeals interpreted the current Labor Code and the applicable international standards, at the same time demonstrating the pro-employee considerations underlying the judicial practice. The court pointed out that the burden of proof in labor disputes rests upon the employer. It is the employer who has to prove that the dismissal was legitimate. The court further stressed out that the dismissal of

an employee should be a remedy of a last resort and must be applied only when the grave nature of a misconduct or breach of employment leaves the application of less onerous sanctions futile. Yet waiting for the final decision of the Supreme Court, the similar practice is becoming more of a trend important to consider in the employment relations.

### **Law on Entrepreneurs**

Although the on-going work on the new set of the corporate rules has not finished, certain amendments have been effected to the current law on Entrepreneurs. The amendments authorize the shareholder to submit the claim to the Court on behalf of the company if the company fails to do so within 90 days after receiving such request from the shareholder. The company has to substantiate its refusal on submitting the claim against the third party. The shareholder is authorized to claim reimbursement of expenses, reasonably incurred due to submission of the claim on behalf of the Company.

In addition, according to the proposed amendments to the Law on Entrepreneurs, a consent of a shareholder shall no longer be required in case of dilution of its shares. According to the recent provisions of law, consent of the shareholder is required if amendment to the charter or resolution adopted by the shareholders of the company affects its registered rights. This rule, in theory, enables minority shareholders to block respective financial decisions of the shareholders (including increase of the capital) important for the business operations of the Company and act in bad faith.