



Counsel you can trust

LEGAL NEWS

Law on Arbitration

Already in the Parliament – substantial amendments to the Law of Georgia on Arbitration are underway. These amendments aim at harmonizing the local arbitration law with the 1985 UNCITRAL Model Law on International Commercial Arbitration.

The bill enables the parties to subject their dispute to the jurisdiction of an ad hoc arbitration. Under the intended changes, court will not dismiss the cases merely on the grounds of the existing arbitration clause but shall be entitled to do so only based on the motion of one of the parties. Further, if the bill is enacted, the parties to arbitration agreement will have a right to request preliminary injunction from the courts of law prior to filing the request for arbitration.

Another arbitration-friendly initiative is to decrease the legal fees associated with court assistance in arbitration (recognition and enforcement, obtaining evidences, preliminary injunction, etc.).

Anti-Money Laundering Law

In late December 2014 amendments were introduced to the Law of Georgia on Facilitating the Prevention of Legalization of Illicit Income. The scope of organizations monitoring suspicious and/or extraordinary transactions has been enlarged. Namely, online casinos and online gambling operators shall now be also obliged to carry out monitoring for prevention of money-laundering. The law was also amended to include transactions carried out by local representative offices of foreign entities; whereas previously it only covered the transactions made by legal entities.

Law on Ownership of Agricultural Land

The moratorium suspending acquisition of agricultural lands by foreign individuals and companies with foreign participation

expired on 31 December 2014. The Government has initiated a bill of amendments to the Law on Ownership of Agricultural Land specifying exceptional circumstances when such lands can be acquired by foreign individuals. Namely, an agricultural land in Georgia can be owned by foreign individuals only if the land is acquired through inheritance, marriage to the citizen of Georgia or obtaining of a Georgian residence permit, provided that all agricultural lands owned by such person should not exceed 20 hectares.

Proposed amendments entitle any legal entity registered under the laws of Georgia to freely own agricultural land irrespective of foreign participation. This right is however qualified with the requirement that the total size of all agricultural lands owned by such entity should not exceed 200 hectares.

Law on Labor Migration

The Government has initiated a new bill on Labor Migration with an aim to create effective means for supporting migration for employment and preventing trafficking in human beings.

According to the proposed law, citizens of Georgia as well as foreigners holding Georgian residence permit can be employed abroad only after registration of the activity of a foreign employer with the Ministry of Justice of Georgia. The foreign employer is further obliged to properly inform the migrant prior to his/her departure from Georgia and record the persons whose employment they have arranged beyond the borders of Georgia.

International Financial Institutions

In January 2015 the Government of Georgia has expanded the list of institutions qualified as International Financial Institutions under the laws of Georgia. Namely, Overseas Private Investment Corporation (OPIC) was added to the list. This amendment entails significant legal importance as now OPIC will enjoy the respective benefit provided under Georgian law while financing development projects in Georgia.