



Counsel you can trust.

NEW REGULATION FOR FOREIGN EMPLOYEES

On 17th August, 2015, the Government of Georgia adopted a new regulation regarding the employment of a working immigrant (foreign individual without a permit to permanently reside in Georgia) in Georgia by a local employer. The regulation aims to establish particular conditions and guarantees for working immigrants employed in Georgia.

According to the regulation, the employment of a working immigrant can be carried out only on the basis of a labor contract executed between the working immigrant and a local employer. A Labor agreement made between the local employer and the working immigrant shall be concluded in writing and it shall include specific terms defined by the regulation. Such labor agreement may be formed only for a determined period of time. Furthermore, after execution of the labor contract, the local employer is obliged to inform LEPL Social Service Agency within 30 calendar days.

Above mentioned regulation came into force on 1st November, 2015 and applies only to the contracts that are concluded on and after such date.

LANDMARK DECISION OF THE SUPREME COURT OF GEORGIA

The Supreme Court of Georgia recently delivered an important decision concerning director's and partner's liabilities for company's obligations in the limited liability company.

The Supreme Court of Georgia clarified that separate legal personality of the company can be disregarded when partners abuse legal forms of limitation of liability. In this case, partners have abused their power to evade outstanding tax liabilities of the company. For this reason, tax authority was also entitled to claim damages from the shareholders of the company.

In addition, the court also addressed the grounds for director's liabilities. According to Supreme Court of Georgia, director may not evade tax liabilities, even if the decision is beneficial for the company. Directors shall always act in company's best financial interest, but not unlawfully. If they fail to fulfill this obligation, they will be jointly and severally liable for the damages incurred by the company.

Not only had Supreme Court reversed the previously established practice, but also suggested new interpretation of some of the most important rules and legal concepts. The decision of the Supreme Court is hotly debated in the circles of the business legal community.

MORATORIUM OF THE CONSTITUTIONAL COURT OF GEORGIA

Constitutional Court of Georgia has temporarily suspended activity of three very important articles of Civil Procedures Code of Georgia, dealing with interim measures.

Parties to the court proceedings will no longer be entitled to request immediate enforcement of judgment caused by extraordinary circumstances, falling under the scope of the Art.268 (1)(g) of the code.

Furthermore, suspension also applies to the first sentence of Art.198 (3) and Art.271 f the code. Namely, application of discretionary interim measures, not precisely listed in the code.

The rulings have caused significant public controversy. While the part of the experts highly criticizes judgments for their lack of justification, others describe these decisions as examples of successful judicial interpretation.

For more information and advise please contact us:

4, Gudiashvili Square
Tbilisi, 0114, Georgia
Tel.:(995 322) 92 24 91, 92 00 86
blc@blc.ge
blc.ge