



*Counsel you can trust*

**THREE-YEAR DEFAMATION SAGA ENDED – SUPREME COURT OF GEORGIA RULES IN FAVOR OF TBC BANK AND MAMUKA KHAZARADZE**

We are pleased to announce that three-year dispute against the local newspaper Asaval-Dasavali is finally resolved in favor of our clients – TBC Bank JSC and its shareholder Mr. Mamuka Khazaradze. On 26 July 2017, the Supreme Court of Georgia rendered its final decision on the case upholding the decision of the Tbilisi Court of Appeals in favor of TBC Bank and Mr. Mamuka Khazaradze and ordering the newspaper to reject false and defamatory statements disseminated by the newspaper and pay compensation for moral and reputational damage totaling to GEL 5,000. The decision continues the trend set by the Supreme Court of Georgia and the European Court of Human Rights on defamation cases and bears vital importance for development of responsible journalism in Georgia.

**COMPULSORY TPL INSURANCE UNDERWAY**

The bill on Compulsory Civil Liability Insurance of Foreign Vehicles on the Territory of Georgia was lodged to the Parliament of Georgia in June 2017. The bill was drafted by the Government and aims at pooling of the local insurance companies in an exclusive scheme of third party liability (TPL) insurance of the vehicles registered in foreign jurisdiction, whilst in Georgia. The scheme shall be administered by an insurance center - a non-commercial legal entity to be established by the insurance companies participating in the scheme. Vehicles driving into Georgia shall be obligated to purchase the TPL insurance. Failure to do so will be an administrative felony and will be sanctioned accordingly. Damage inflicted on life, health or property of Georgian population will be covered by the insurance companies through the center administrating the above compulsory insurance scheme. If adopted, the scheme will fully come into force from January 2018.

**NAMING ARBITRATION INSTITUTION AS A PREREQUISIT FOR A VALID ARBITRATION CLAUSE**

While Georgian arbitration practitioners strive to keep up with ongoing rapid developments in arbitration world, the courts of Georgia drag the practice back with conservative approach. The Supreme Court of Georgia in its decision on case No.A-887-SH-21-2016 published on 19 July 2017 applied restrictive interpretation of an arbitration clause and denied recognition and enforcement of an arbitration award rendered in London. Georgian courts were generally coherent in requesting the arbitration clause to be clear and unambiguous, however this time the Supreme Court went even further saying that if an arbitration clause does not indicate the exact arbitral institution, it is invalid. This interpretation of an arbitration agreement ignores an ad hoc arbitration, which is yet another way of administering arbitration proceedings, regularly practiced worldwide and even envisaged under the Law of Georgia on Arbitration. Unfortunately, as it appears, Georgian arbitration practice still has a long way to go.

**SUBSTANTIAL INCREASE IN NOTARIZATION COSTS**

On 20 July 2017, Notary Chamber of Georgia issued a recommendation to the public notaries to notarize signatures of the parties on each page of the document. Certification of signatures of the parties on each page significantly increases notarization costs, since the notaries charge for each signature on the document. Notably, this recommendation does not apply to the cases where the notaries certify the content of the document. However, in the latter case the notary fee is charged as a percentage of the transaction value, which is exactly the reason why parties used to favor the cheaper solution of having a signature page notarized.

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

129a David Aghmashenebeli Ave, Tbilisi, 0102, Georgia

Tel.: +995 32 292 24 91; +995 32 292 00 86

+995 32 200 04 91

bhc@bhc.ge

bhc.ge