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### **NEW ENVIRONMENTAL REGULATIONS TAKE EFFECT IN 2018**

From January 2018, new Environmental Protection Assessment Code shall supplement the Law of Georgia on Environmental Impact Permits and the Law of Georgia on Ecological Expertize. The Code was drafted in line with respective EU directives and provides for completely new procedure for obtaining environmental clearance. The Code broadens the scope of activities subject to the environmental permit, now – environmental decision. In addition to the above, while certain activities necessarily fall within the scope of the Code, others many fall outside of it if so determined after the screening procedure. The screening procedure is yet another novelty of the Code, which aims to pre-determine whether environmental assessment is at all required for the particular activity before preparing voluminous environmental impact assessment documents. Lastly, in the interest of efficiency, the new code introduces intermediary procedure enabling to narrow down the scope of required information and research to be included in the environmental impact assessment report.

### **MOTOR VEHICLES ARE INCLUDED IN PROPERTY TAX DECLARATIONS IN 2018**

We kindly remind you that, due to the 2017 amendments to the Tax Code of Georgia, motor vehicles (with commodity nomenclature 8703) must be included in the property tax declarations for the year of 2018. Property tax will be calculated as 0.2% for the households with the income in the range of GEL 40,000 to GEL 100,000 and 1% for those above GEL100,000, irrespective of the age of the respective vehicle. The property tax rate is calculated based on the market price of the vehicle. Notably, declarations for the year of 2018 must be submitted to the Revenue Service no later than 1 November 2018, whereas the tax should be paid until 15 November 2018.

### **CONSTITUTIONAL COURT OF GEORGIA LIMITING THE POWER OF TAX AUTHORITY**

On 28 December 2017 the Constitutional Court of Georgia rendered discretionary authority of the Revenue Services to evaluate the property on the basis of market price or its

balance sheet value for the purposes of determining the property tax, discriminatory and thus unconstitutional. In its other decision handed down on the same day, the Constitutional Court of Georgia discussed the authority of the Revenue Service to impose public restriction on the entire property of the taxpayer prior to assessment of the tax indebtedness. The Court resolved that such authority constitutes disproportional use of power and violates the right to property. The Court established that the value of the property so collateralized has to be consistent with the expected amount of tax obligation.

### **NEW BILL ON GAMBLING**

Several draft laws submitted to the Parliament of Georgia envisage new procedures, as well as restrictive regulations for the gambling activities. Just to highlight a few amendments, the age limit for entering casinos/slot clubs (including online gambling platforms) for the citizens of Georgia will be increased to 21 years. The Draft Laws also introduce several major novelties, such as registration in the List of Addicted Individuals and registration at the Registry of Players, representing prerequisite for participating in system based/electronic games. Moreover, organizer shall be obliged to create electronic database for the distributed winnings to record winnings exceeding GEL 100. The proposed amendments further extend scrutiny to ultimate beneficiaries of the gambling business. Finally, the proposed amendments also envisage administrative sanctions for the violation of the new gambling regulations.

### **PROSPECTIVE REGULATIONS FOR INSURANCE BROKERS**

The draft law on the amendments to the Law of Georgia on Insurance Activities is on its way to the Parliament of Georgia. The draft law aims to ensure financial and institutional stability, as well as transparency in the insurance industry. For this purposes, the draft law envisages detailed regulations for registration and performance of the activities of the insurance brokers/insurance agents. The draft further regulates relationship between insurance brokers and the insurer/insured, as well as guarantees for financial stability, monitoring and sanctioning of the activities of the insurance brokers. It is expected that these measures aiming to firm solid and stable insurance environment, if implemented, shall incentivize investments in this field.

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

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