

ნოდია, ურუმაშვილი და პარტნიორები NODIA, URUMASHVILI & PARTNERS

In this Issue:

- Amendments to the Law of Georgia “on Personal Data Protection” 2
- Amendments to the Law of Georgia “on Facilitating the Prevention of Money Laundering and the Financing of Terrorism” 2
- Amendments to the Civil Procedure Code of Georgia 3
- Amendments to the Law of Georgia “on Higher Education” 3
- Amendments to the Organic Law of Georgia “on National Bank of Georgia” 4
- Amendments to the Law of Georgia “on Payment Systems and Payment Services” 6
- Amendments to the Law of Georgia “on Enforcement proceedings” 7
- Amendments to the Law of Georgia “on Procedures for Departure from Georgia and Entry into Georgia by the Citizens of Georgia” 9
- Amendments to the Ordinance “on Certain Measures Related to the Conclusion of Contracts Involving Foreign Counterparties.” 10
- Amendments to the Law of Georgia “on Design” 10

1. Amendments to the Law of Georgia “on Personal Data Protection”

On December 17, 2025, amendments were introduced to the Law of Georgia On Personal Data Protection (hereinafter referred to as the "Law"), affecting both the definitions of terms established by the Law and procedural matters.

According to the package of amendments, it has been determined that as of March 2, 2026, the Personal Data Protection Service will be abolished, and the State Audit Office of Georgia has been designated as its legal successor. From March 2, 2026, the documents and information held by the Personal Data Protection Service, as well as the right to administer the electronic systems managed by the service, will be transferred to the State Audit Office.

These amendments will come into effect on March 2, 2026.

2. Amendments to the Law of Georgia “on Facilitating the Prevention of Money Laundering and the Financing of Terrorism”

On November 26, 2025, amendments were introduced to the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism (hereinafter referred to as the "Law"). The purpose of these changes is to strengthen the fight against terrorism and the financing the proliferation of weapons of mass destruction.

The Law establishes that all natural persons and legal entities are obligated to comply with the sanctions of the United Nations Security Council. Access to funds, property, assets, and services for sanctioned individuals and entities must be restricted immediately and without prior notice (except for exemptions allowed by the resolutions). Changes to the UN Sanctions List enter into force immediately upon their publication on the official website.

Violation of the requirements established by the Law will result in administrative liability: a warning for the first offense, and a fine of 1,000 GEL for repeated violations. Proceedings are conducted by the relevant service through a simple administrative procedure, and the decision shall be appealed in court.

The amendments come into effect on March 1, 2026.

3. Amendments to the Civil Procedure Code of Georgia

On December 9, 2025, significant amendments were introduced to the Civil Procedure Code of Georgia, primarily concerning mediation procedures.

The amendments specified that a fixed state fee of 150 GEL is now established for the following applications: Measures to secure a mediated settlement; The enforcement of private mediation agreements and as well as, the recognition and enforcement of international mediated settlements. To encourage early settlements, the law now provides significant fee exemptions. If a lawsuit is terminated (via renouncement, recognition, settlement or agreement through court mediation) before the main court hearing, the parties are fully exempt from the state fee. If the termination occurs during the main hearing, the state fee is reduced by 50%.

The scope of representation has been clarified. Significant procedural actions—

such as reaching a settlement, withdrawing a lawsuit, or filing an appeal—now require a power of attorney explicitly stating these authorities. The timeframe for court mediation is set at 45 days, starting from the moment the case is referred to a mediator. During this period, a minimum of two meetings must be conducted.

Procedures for enforcing settlement agreements reached through private mediation have been regulated. Such cases are reviewed by the District (City) Court, generally without an oral hearing within 10 days. If necessary, an oral hearing may be held, extending the review period to 30 days. The rules for submitting required documentation have also been clearly defined.

The amendments came into effect on December 12, 2025.

4. Amendments to the Law of Georgia “on Higher Education”

On December 10, 2025 amendments were introduced to the Law of Georgia on Higher Education (hereinafter referred to as the “Law”). In accordance with the amendments of December 10, 2025, the

Ministry of Education, Science, and Youth of Georgia has been mandated to develop the Online University concept/model, and standards by January 1, 2028.

Significant clarifications were also introduced regarding state funding. In higher educational institutions established by the Government of Georgia, the studies of Georgian citizens at the first and second levels of academic higher education are now fully funded by the state. The rules and conditions for funding other individuals shall be determined by the Government.

Additionally, a transitional provision establishes that funding for students who obtained it prior to 2026 will continue through the 2030-2031 academic year under the same terms and conditions they held before the amendments.

These amendments entered into force immediately upon publication, specifically on December 16, 2025.

5. Amendments to the Organic Law of Georgia „on the National Bank of Georgia“

On December 9, 2025, amendments were introduced to the Organic Law of

Georgia on the National Bank of Georgia (hereinafter referred to as the “Law”), which came into effect on December 12, 2025. These changes concern the clarification of the definition of Virtual Asset Services and the regulatory framework for the supervision of Virtual Asset Service Providers (VASPs).

The Law has clarified the definition of Virtual Asset Services, specifying that it encompasses the exchange of convertible virtual assets for national or foreign currencies, other virtual assets, or financial instruments, as well as, operations conducted through self-service terminal (crypto ATMs). Furthermore, the category includes: transfer of virtual assets, storage and administration of virtual assets or the instruments necessary for their use, portfolio management (except collective portfolio management), administration of trading platforms lending of virtual assets, initial offerings and related services. The category also extends to any other types of virtual asset services as determined by the National Bank of Georgia through relevant normative acts.

The amendments define the powers of the National Bank of Georgia in relation to virtual asset service providers. The National Bank is authorized to carry out their registration and cancellation of registration, conduct inspections and supervision, issue written instructions, and impose additional requirements, restrictions, and sanctions. Furthermore, the National Bank is entitled to request and obtain information regarding the origin of the provider's capital, significant shareholders, and beneficial owners, including information on the sources of their assets and funds.

The law provides that the National Bank, through its normative acts, establishes requirements for significant shareholders of virtual asset service providers, as well as the suitability criteria for administrators. The National Bank is authorized to conduct on-site or remote inspections of providers' activities, perform audits of accounting records and reporting components, and request any information, including confidential information.

The amendments further provide that the National Bank may restrict or suspend

the performance of certain activities or operations by a provider or a relevant representative of the financial sector, including by types of virtual assets, as well as limit or prohibit business relationships with other providers. The National Bank is authorized to determine the information that must accompany the transfer of virtual assets, impose sanctions for violations of legislation and its own normative acts, and define the regulatory framework for providers according to categories of services, establish the minimum amount of supervisory capital and the methodology for its calculation, as well as set requirements relating to capital and assets. Additionally, the law stipulates that the National Bank sets standards for the safekeeping of virtual assets and risk management, rules for the protection of consumer rights, procedures for the liquidation of a provider, and other additional requirements.

The law provides that the National Bank of Georgia shall, by 1 September 2026, ensure the adoption of the relevant subordinate normative acts and bring the

existing subordinate legislation into compliance with these amendments.

Furthermore, the amendments adopted on 17 December 2025 modified the rules on the protection of confidential information by currency exchange offices and lending entities. According to the new edition, information relating to a customer or borrower may be disclosed only to the parties to the relevant transaction and their authorized representatives, the National Bank, the Dispute Resolution Commission operating under the National Bank, and—where prescribed by law—the Financial Monitoring Service. In addition, during inspections carried out pursuant to the Law of Georgia on Personal Data Protection, such information may be disclosed to the State Audit Office. Disclosure of such information to other persons is permissible solely on the basis of a relevant court decision or the prior written consent of the customer or borrower.

These amendments shall enter into force on 2 March 2026.

6. Amendments to the Law of Georgia “on Payment Systems and Payment Services”

On 17 December 2025, amendments were introduced to the Law of Georgia on Payment Systems and Payment Services (hereinafter referred to as the “Law”) concerning the rules governing a payment service provider’s obligation to protect confidential information.

The amendment clarifies the scope of persons to whom information may be disclosed regarding a payment service user’s funds and electronic money, as well as information concerning transactions carried out, including attempted transactions. Under the new edition of the Law, such information may be provided to the payment service user and their duly authorized representative, the counterparty to the relevant transaction, and to a court—on the basis of a decision rendered in accordance with the Administrative Procedure Code of Georgia.

The same provision further stipulates that such information may be disclosed to the tax authority on the basis of international and bilateral agreements, in particular:

the Agreement between the Government of the United States of America and the Government of Georgia for the implementation of FATCA, the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS MCAA), concluded within the framework of the Convention on Mutual Administrative Assistance in Tax Matters of 25 January 1988 or an agreement between Georgia and the relevant jurisdiction on the automatic exchange of information regarding financial accounts.

The law further provides that such information may be disclosed to the Financial Monitoring Service of Georgia in cases stipulated by Georgian legislation, and during inspections conducted pursuant to the Law of Georgia on Personal Data Protection—to the State Audit Office. Additionally, the information may be transmitted to persons authorized to enforce acts subject to enforcement under the Law of Georgia on Enforcement Proceedings, within the scope of the enforcement process. Disclosure of the aforementioned information to other

persons shall be permissible solely on the basis of an appropriate court decision.

These amendments shall enter into force on 2 March 2026.

7. Amendments to the Law of Georgia “on Enforcement Proceedings”

On 3 September 2025, 16 October 2025, 11 November 2025, and 17 December 2025, amendments were introduced to the Law of Georgia on Enforcement Proceedings (hereinafter referred to as the “Law”). The amendment of 3 September 2025 (with the exception of Article 1 thereof) entered into force on the same day, while Article 1 of that amendment entered into force on 18 September 2025. The amendment of 16 October 2025 entered into force on the same day. The amendment of 11 November 2025 (with the exception of paragraphs 2 and 3 of Article 1) entered into force on the same day, whereas paragraphs 2 and 3 of Article 1 entered into force on 27 December 2025. As for the amendment of 17 December 2025, it shall enter into force on 2 March 2026.

By the amendment of 3 September 2025, a final and binding conviction rendered in a criminal case—imposing on the relevant person an obligation to pay compensation to the victim—was made subject to enforcement. In this regard, the authority to develop and approve the procedure governing such enforcement was vested in the Minister of Justice.

Pursuant to the amendments of 16 October 2025, a convicted person within the meaning of the Criminal Procedure Code of Georgia—who is either a citizen of Georgia or a stateless person holding status in Georgia—shall be prohibited from leaving Georgia where enforcement proceedings have been initiated in connection with: compensation for damage established under civil procedure as resulting from a criminal offence; or a final and binding conviction in a criminal case imposing on the relevant person the obligation to pay compensation to the victim. The travel restriction shall remain in force until the claim for compensation of the damage has been satisfied.

Furthermore, under the same amendment, the National Bureau of

Enforcement shall notify the National Agency for Crime Prevention, Execution of Non-Custodial Sentences and Probation of the initiation and termination of enforcement proceedings related to the satisfaction of a claim for compensation of damage caused by the offence stipulated in subparagraph “a” of paragraph 1 of Article 165³ of the Criminal Procedure Code of Georgia.

As for the amendment of 11 November 2025, in addition to the persons already exempted by law from the payment or imposition of enforcement fees, the National Agency of State Property and its creditors were also explicitly included.

Furthermore, an exception was established regarding the cancellation of all encumbrances on movable property transferred to the ownership of a purchaser. Specifically, if property managed by the state is realized through compulsory enforcement, the new owner—and each subsequent owner—fully assumes the privatization obligations owed to the state by the original purchaser, as well as the rights and obligations arising from the relevant agreement, provided that information

regarding such privatization obligations has been duly registered with the competent registration authority prior to the property's realization.

The amendment of 17 December 2025 made enforceable the individual legal act of the General Auditor in the form of imposing a fine.

8. Amendments to the Law of Georgia “on Procedures for Departure from Georgia and Entry into Georgia by the Citizens of Georgia”

On 3 September 2025 and 16 October 2025, amendments were introduced to the Law of Georgia on the Procedures for Departure from Georgia and Entry into Georgia by the Citizens of Georgia (hereinafter referred to as the “Law”). The amendments of September entered into force on 18 September 2025, while the amendments of 16 October 2025 entered into force on the same day.

Under the amendments of 3 September 2025, in addition to being subject to law enforcement searches or presenting false/invalid documents, a court judgment prohibiting a person from leaving Georgia was established as a ground for

issuing a passport for temporary departure from the country for a Georgian citizen.

As for the amendments of 16 October 2025, the grounds for refusal to issue the above-mentioned passport or emigration permit were expanded. Specifically, a refusal may be based on the situation where a person is prohibited from leaving Georgia under the Criminal Procedure Code of Georgia and fails to provide a notarized document demonstrating that they have paid compensation to the victim, or compensated the victim for damage in accordance with the procedure established by Georgian law, or obtained the victim's waiver of compensation/payment for the damage in accordance with Georgian law, or fails to present a certificate issued by the National Bureau of Enforcement, a legal entity of public law under the management of the Ministry of Justice of Georgia, confirming the termination of enforcement proceedings.

Additionally, a further ground for refusal was established where enforcement proceedings have been initiated in

connection with the imposition of an obligation to pay compensation to the victim, under which the convicted person is prohibited from leaving Georgia until the claim for compensation of the damage caused by the offence has been satisfied.

For the purposes of these cases, the procedure for refusal to cross the state border is determined by a joint order of the Minister of Internal Affairs of Georgia and the Minister of Justice of Georgia.

9. Amendments to the ordinance “On Certain Measures Related to the Conclusion of Contracts Involving Foreign Counterparties.”

On 30 December 2025, amendments were introduced to the Government of Georgia’s Ordinance No. 139 of 11 May 2010, “On Certain Measures Related to the Conclusion of Contracts Involving Foreign Counterparties.”

The amendments stipulate that the relevant executive authorities and enterprises established with 50% or more state ownership must take the following conditions into account when concluding private contracts with foreign

counterparties for the purpose of carrying out public-law objectives:

- If the draft contract specifies the law of a foreign country and/or designates international arbitration or a foreign court as the dispute resolution mechanism, the draft contract must be submitted to the Government of Georgia, together with the opinions of the relevant authorities, for review in order to conduct a preliminary assessment of factual and legal risks;
- Before terminating a contract intentionally, a legal opinion must exist providing a preliminary assessment of the factual and legal risks associated with the termination.

The amendments entered into force immediately upon publication, specifically on 31 December 2025.

10. Amendments to the Law of Georgia “on Design”

On 11 November 2025, legislative amendments were introduced to the Law of Georgia on Design, some of which

entered into force immediately upon publication, while others came into effect on 1 January 2026. The main objectives of these amendments were to improve the legal protection mechanisms for designs, address existing gaps, and incorporate contemporary standards provided for under European Union legislation into Georgian law.

Among the notable changes is the introduction of a grace period concerning the disclosure of a design by a third party. Specifically, a design shall not be considered disclosed even if the information became accessible to a third party within 12 months prior to the filing or priority date of the application.

The amendments also expanded the grounds for invalidating a design. Under the new provision, a design shall be declared invalid if its protection term has expired or its registration has been cancelled.

The amendments also provided for the partial invalidation of a design. Specifically, a design may be re-registered in a modified form either: at the request of the applicant, who renounces protection over part of the

design; or by entering into the register or application the decision of a court, appellate chamber, or a re-examination of the design, whereby the registration of the design was declared partially invalid.

Another significant development is the clarification regarding the retroactive effect of a decision declaring a design registration invalid. According to the amendments, a decision declaring a design registration invalid shall have no retroactive effect:

- if a court decision on the infringement of special rights in the design has entered into force before the decision declaring the design registration invalid becomes final;
- or with respect to a transaction concluded and executed before the decision declaring the design registration invalid, as provided in the above point.

In the case of deferred publication of a design, restrictions were introduced on the design owner's special rights regarding disputed use of the design.

Specifically, it was established that, upon registration of a design, the owner may exercise the special right—to permit or prohibit the manufacture, sale, offer for sale, use, import, export, or other incorporation into civil circulation of a product incorporating the design or for which the design is intended, as well as the storage of such a product for these purposes—only if the disputed use of the design results from the reproduction of the registered design.

It is also important to note that the amendments introduced the practice of conducting a re-examination of a design, which grants an interested party the right, if the grounds provided by law exist, to request a re-examination of the design during the term of its registration.

Additionally, a notable development is the introduction of a prior search practice, under which any interested party has the right to apply to the LEPL

National Intellectual Property Center to receive a prior search service. This service allows determination of whether an identical design to a specific design is protected in Georgia, either through registration with Sakpatenti or via the effect of an international design registration.

Upon submission of the application, LEPL National Intellectual Property Center conducts the prior search and communicates the results to the interested party within 10 working days after payment of the fee established for the prior search service. It should be noted that proceedings initiated in Sakpatenti before the entry into force of these amendments will continue under the previous regulations, and the amendments will not apply to such ongoing proceedings.

18 Thanks for your
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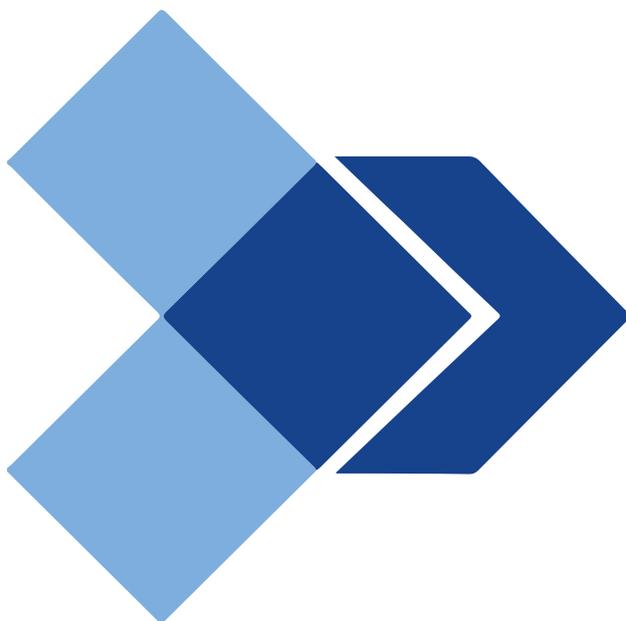
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