



ნოდია, ურუმაშვილი და პარტნიორები NODIA, URUMASHVILI & PARTNERS

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1. Amendments to the Law of Georgia “on Labour Migration”

Based on the legislative package of 26 June 2025, significant amendments were made to the Law of Georgia “on Labour Migration” (hereinafter the “Law”), most of which will enter into force on 1 March 2026.

According to the explanatory note, these amendments aim to introduce better mechanisms for regulating and managing migration processes in Georgia, which will ensure the reduction of illegal migration flows, bring labour migration processes in Georgia within a legal framework, and facilitate the collection of relevant statistical data. The proposed draft Law also provides for a new system of labour activity permits, the mechanisms necessary for their implementation, and the corresponding liability provisions.

It is noteworthy that the protection of domestic labour resources is established as a primary priority. In economic sectors where an excess supply of labour is observed, priority shall be given to the employment of local labour. The employment of aliens shall be restricted within the framework of the relevant regulations to prevent limiting the opportunities of local employees.

Based on the amendments to the Law, the concept of a “Self-employed Alien” shall enter into force on 1 March 2026. A Self-employed Alien is defined as an alien without a permanent residence permit in Georgia, who engages in labour activity in Georgia, including as a trader, service provider, or in other types of activity, as a partner, independent contractor, or

otherwise participating in entrepreneurial or labor activities, with the purpose of generating financial gain.

Interestingly, prior to the entry into force of these amendments, the Law did not apply to self-employed individuals. In this respect, it regulated exclusively the labour arrangements of aliens employed under labour contracts in Georgia.

According to the said changes, the engagement of a Self-Employed Alien in labour or entrepreneurial activities shall be permitted only if the alien has been granted a work permit in Georgia and, concurrently, a labor residence permit, a D1 category immigration visa, or any other type of residence permit as defined under Georgian legislation.

The concept of a Labour Immigrant has been revised and expanded. According to the amendments, a labour immigrant shall be deemed to be:

- an Alien who does not hold a permanent residence permit in Georgia and seeks employment with a local employer for the purpose of performing paid labour activities;
- an Alien who is employed by a Georgian employer on a remote basis;
- a Self-employed Alien who carries out labour or entrepreneurial activities in Georgia without holding permanent residence.

The concept of a Labour Immigrant shall no longer apply solely to aliens physically present in Georgia, it also includes aliens employed remotely.

One notable innovation introduced by the legislative package of amendments to the

Law of Georgia “on Labour Migration” is the definition of the term “Service Organizer”. It is noteworthy that such a provision did not exist in the Law prior to the amendments. According to the changes, a Service Organizer refers to a natural or legal person, as well as an unregistered or registered entity without legal personality, that enters into any transaction with a Self-employed Alien, as a result of which the latter receives financial gain.

It is important to note that, according to the amendments, in order for an alien to engage in labour or independent entrepreneurial activities (whether in Georgia or remotely), obtaining a work permit from the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia becomes mandatory.

The responsibility for obtaining a work permit lies with the local employer, except in cases where such a permit is requested by a Self-employed Alien. Procedurally, the application for the permit is submitted to the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia, however, the list of documents to be submitted has not yet been determined. This list shall be defined by the relevant subordinate normative acts prior to the entry into force of the amendments (1 March 2026).

The review of an application for the granting of a work permit (as well as for its extension) shall be completed within a maximum of 30 calendar days. The maximum fee for the review of the application is set at GEL 500. The

administrative authority is empowered, during the application review process, to request additional information from the local employer or Self-employed Alien and/or to remedy any inaccuracies identified during the process.

Under the Law, a work permit is not of a general nature and is issued:

- For a labour contract-employed immigrant—authorizing work with a specific local employer; or
- For a Self-employed Alien—specifying a particular profession and labour/entrepreneurial field.

The administrative authority, in certain cases, is empowered to refuse the issuance of a work permit where:

- The documentation/information has been submitted incompletely and is not corrected within 10 calendar days from the date the deficiency is identified;
- In the case of a request for the extension of a work permit—if the application deadlines are not respected;
- The alien’s profession/qualification and position do not correspond to the needs and requirements of the labour market in Georgia or falls within the list of professions and specialties for which the employment of aliens is restricted by the Government of Georgia. It is important to note that the Law does not define the standard of correspondence between the alien’s profession/qualification and the needs of the Georgian labor market, which grants the administrative authority broad discretion in this regard. The preparation of the list specified in the norm is the responsibility of the Government, however, for the purposes

of labour migration, such a list has not yet been defined;

- Proceedings for the alien's expulsion have been initiated, or a decision on expulsion has been adopted.

It should be noted that a refusal to grant a work permit may be appealed directly to the court within one month from the date of notification of the relevant decision. However, such an appeal does not:

- Grant the alien the right to engage in labour activities in Georgia;
- Provide a basis for postponing the obligation to leave Georgia; or
- Suspend the consideration of the alien's expulsion and/or the execution of a decision on expulsion.

An alien who has been refused the issuance or extension of the relevant permit, or whose work permit has been terminated before the expiration of its validity, has the right to submit a new application no earlier than one month after the decision has been communicated.

Under the Law on Labour Migration, the grounds for termination of a work permit arise if:

- The term of the contract concluded with a local employer expires or is terminated early;
- Self-employed Alien leaves the territory of Georgia for a period exceeding six months;
- The D1 (work/immigration) visa expires or is otherwise terminated (except where the alien holds a valid residence permit);
- The residence permit expires or is otherwise terminated;

- Following the issuance of the work permit, the labour immigrant neither requested a D1 visa nor a residence permit;
- The alien was refused issuance of a D1 visa or a relevant residence permit;
- A decision on the alien's expulsion has been issued.

After a positive decision on the issuance of a work permit, the labour immigrant is obliged to:

- Within 30 calendar days, apply for a D1 (work/immigration) visa (if not already present in Georgia); or
- Within 10 calendar days, apply for a labor residence permit or a residence permit for a person employed in the information technology (IT) sector (if already present in Georgia).

It is pivotal to note that compliance with the above obligation is not mandatory if the alien already holds a valid residence permit of any type; or if the labour activity is carried out entirely remotely and does not require their presence on the territory of Georgia. It should be emphasized that the "requirement" to enter the territory of Georgia is not defined under the amendments.

Regarding the obligations of the local employer under the amendments, they are assigned a duty to inform. Specifically, the employer must record information in the special electronic system for labour migration of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia within 5 calendar days concerning the early termination of a labour contract or any amendments made

to the labour contract with the labour immigrant.

Additionally, if the local employer wishes to continue the employment relationship with the labour immigrant, they must apply for the extension of the work permit at least 30 calendar days before the expiration of the work permit issued for that specific labour immigrant.

Moreover, if a labour immigrant's work permit is terminated, the employer is notified accordingly. In such a case, the employer is obliged to terminate the employment contract concluded with the specific alien within 5 calendar days from the receipt of the notification and submit the "mandatory information" to the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia. The list of mandatory information shall be determined by the relevant subordinate normative act before the entry into force of these amendments.

The engagement of a labour immigrant in remunerated activities without a work permit, failure to submit information regarding amendments to the employment contract, as well as any changes in labour/entrepreneurial activity without renewing the work permit, shall result in a fine imposed on the local employer.

The provisions of the Law of Georgia "On Labour Migration" shall not apply in certain exceptional cases, which also include individuals holding a valid investment residence permit. Accordingly, an alien holding such a residence permit is not

required to register in the unified database of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs of Georgia and/or to obtain a work permit.

The transitional provisions of the Law provide an additional period for obtaining a work permit. Individuals who are currently registered in the labour migrants' registry as of March 1, 2026, shall, after the entry into force of the amendments, comply with the new regulations by January 1, 2027.

It is noteworthy that, unlike the labour and immigration legislation of other countries, the Law "On Labour Migration" does not impose an obligation on the employer to necessarily employ a Georgian citizen after the termination of a labour immigrant's employment.

2. Amendments to the Law of Georgia "on the Legal Status of Aliens and Stateless Persons"

Amendments have been made in several stages to the Law of Georgia "on the Legal Status of Aliens and Stateless Persons" (hereinafter the "Law").

Among these, the amendments of June 12, 2025, are noteworthy, on the basis of which a new type of residence permit was defined: the residence permit for a person employed in the Information Technology (IT) sector.

This type of residence permit is issued to:

- A labour immigrant employed in the Information Technology sector who is

registered with the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia, and to their family members;

- An alien who is registered in Georgia as an individual entrepreneur with a small business status and carries out activities in the Information Technology sector as defined by a decree of the Government of Georgia, and to their family members;

Individuals falling into the two above-mentioned categories must submit to the Public Service Development Agency LEPL a document confirming at least 2 years of experience in carrying out labor or economic activities in the Information Technology sector. They must also provide a certificate which confirms that the annual remuneration received from this activity is not less than the equivalent of 25,000 US dollars in Lari (GEL).

- To an individual authorized to lead and represent an international company operating in the Information Technology sector, and to their family members. Individuals in this category must submit to the Public Service Development Agency LEPL a document confirming their authority to lead and represent an international company operating in the Information Technology sector.

It should be taken into account that this type of residence permit is initially issued for a period of three years. Its validity may be extended for no more than twelve years, corresponding to the foreigner's anticipated period of stay in Georgia, and under the

same conditions on which the permit was originally issued.

As regards the termination of the validity of this type of residence permit, it shall be terminated if the holder of the permit is not physically present in the territory of Georgia for 183 days or more during any continuous twelve-month calendar period. For the purposes of calculating the period of actual presence in Georgia, the time during which the person was present in Georgia, as well as the time period during which the person was outside Georgia for medical treatment, shall be taken into account.

The foregoing amendment will take effect on 1 September 2025. By that date, the Government of Georgia must define the list of activities belonging to the field of information technologies (IT), as well as establish the rules and list of documents that a residence permit applicant employed in this field must submit and determine the procedure for monitoring the stay of such person in Georgia.

More amendments were introduced to the Law of Georgia on the Legal Status of Aliens and Stateless Persons on 26 June 2025, on the basis of the amendments made to the Law of Georgia on Labour Migration.

According to the amendments, an alien who obtains the right to engage in employment is obliged, within the time established by Law, to apply to the Public Service Development Agency LEPL for a D1 category immigration visa and/or a work residence permit.

Simultaneously, one of the mandatory criteria for the issuance of a D1 category immigration visa and a work residence

permit shall be the right to engage in employment, granted by the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia.

3. Amendments to the Law of Georgia “on Licenses and Permits”

On May 13, 2025, an amendment was introduced to the Law of Georgia on Licenses and Permits (hereinafter, the “Law”).

This amendment altered the procedure for the issuance of a License for Use as provided for under the said Law. Primarily, it is noteworthy that the Law governs organized activities or actions that affect an indefinite circle of persons, are characterized by an elevated risk to human life or health,

involve matters of significant state or public interest or are connected with the utilization of state resources. This Law also regulates the spheres subject to licensing and permits, defines an exhaustive list of the types of licenses and permits, and establishes the rules for their issuance, amendment, and revocation.

Pursuant to the Law of Georgia on Licenses and Permits, a License for Use shall be issued by public auction. Prior to the amendment, for the purpose of extracting fossil fuels and energy resources (excluding oil and gas), mining-chemical raw materials, non-metallic raw materials, and construction materials, where the total volume/weight to be extracted did not

exceed 500,000 (five hundred thousand) cubic meters/tons, as well as for the commercial extraction of underground fresh water, the licensing authority was required to publish information regarding the auction on its official website no later than 15 days prior to the auction date. In the event that the auction was conducted through a different website, the licensing authority was obligated to publish the relevant information on its own website no later than 3 working days prior to the auction, specifying the date of the auction and the address of the website through which the auction would be conducted. Other means could also be employed to disseminate information about the said auction.

Following the amendments to the Law dated May 13, 2025, it has been stipulated that for the issuance of a license for the extraction of mineral resources, the licensing authority shall publish information regarding the auction on the website www.eauction.ge no later than 10 days prior to the date of the auction. Other means may also be utilized for the dissemination of this information.

The aforementioned amendment entered into force immediately upon its publication, specifically on May 15, 2025.

In connection to the foregoing amendment, it is important to mention that on 28 May 2025, a change was introduced to the Law of Georgia “on Tobacco Control”, which entered into force on the same date. According to the amendment, changes were made to the definitions of terms in the law. In particular, the meaning of “cigar – bar” was revised and is defined as follows: a specialized establishment organized on the basis of

a permit issued in accordance with the Law of Georgia on Licenses and Permits, in which the smoking of cigars and cigarettes, as provided for by this law, is permitted.

Furthermore, an amendment was enacted to the article defining the list of places where tobacco smoking is permitted. According to the change, the list of permitted places has been expanded to include a “cigar – bar” organized on the basis of a permit issued in accordance with the Law of Georgia on Licenses and Permits.

Lastly, an amendment was adopted to the article regulating the permit for establishing a cigar - bar and its conditions. Pursuant to the said amendment, it is prohibited to offer any product to customers in a cigar - bar for gifting, sale, or tasting purposes, except for cigars, cigarettes, and beverages as provided for by this law.

4. Amendments to the Law of Georgia “on Broadcasting”

On May 13, 2025, amendments were introduced to the Law of Georgia “on Broadcasting” (hereinafter referred to as the “Law”).

Pursuant to the Law of Georgia “on Broadcasting”, the Commission shall regulate activities within the spheres of media services and video-sharing platform services. The Law stipulates grounds for dismissal of a member of the Commission from their position.

It is noteworthy that if a court's judgment of conviction against a member of the Commission, which imposes a sentence of restriction of liberty, fixed-term imprisonment, or life imprisonment, enters into legal force; or if a court declares said member of the Commission missing or recognizes them as a Beneficiary of Support, and unless otherwise determined by a court decision; or if the aforementioned member of the Commission resigns or dies, the Parliament of Georgia shall, within one month from the occurrence of the specified circumstance and in accordance with the procedure established by this Law, decide on the dismissal of the member of the Commission from their position.

Prior to the amendment of May 13, 2025, the matter of dismissing a member of the Commission was considered by the Procedural Issues and Rules Committee of the Parliament of Georgia. Based on the amendment, the name of this body was replaced with the following: the Procedural Issues Committee of the Parliament of Georgia.

Regarding the detailed review of the procedure itself, as previously noted, the issue of the premature termination of a Commission member's term of office shall be examined and considered by the Procedural Issues Committee of the Parliament of Georgia, which shall prepare a corresponding conclusion and submit it to the Bureau of the Parliament. The Bureau of the Parliament of Georgia shall place the issue of the premature termination of the Commission member's term of office on the agenda of the next plenary session of the Parliament for consideration. The Parliament of

Georgia shall consider the matter of the premature termination of a Commission member's term of office without delay. It is impermissible to hold a vote on any other issue provided for in the agenda of the plenary session of the Parliament of Georgia before a decision is made on the premature termination of the commissions member's term of office. A member of the Commission shall be deemed dismissed from their position on the specified grounds if the relevant decision is supported by a majority of the members of Parliament present at the plenary session.

The aforementioned amendment entered into force on July 1, 2025.

On June 12, 2025, more amendments were made to the Law. In accordance with the principles of freedom of speech and expression, and free enterprise, this Law defines the procedures for the provision of media services and video-sharing platform services, as well as the rules for the establishment and functions of the national regulatory body in these fields, and the conditions for regulating activities within these spheres.

It is noteworthy that activities in the spheres of media services and video-sharing platform services are regulated by the Commission. The Commission, within the scope of its authority and in accordance with the procedures established by law, adopts (issues) legal acts. The legal acts of the Commission include decrees of the Commission, decisions of the Commission, and orders of the Chairman of the Commission.

The Law stipulates that a legal act of the Commission may be appealed in court in accordance with the procedure established by the legislation of Georgia. The acceptance of a claim by a court shall not result in the suspension of the validity of the Commission's legal act, except in exceptional cases defined by this same Law or when the court decides otherwise. The first amendment made to the Law pertains specifically to these exceptional cases. Under the previous version, a fine exceeding 1% of the broadcaster's annual revenue and simultaneously GEL 5,000, or a decision concerning the suspension/revocation of a broadcaster's authorization, could not be immediately enforced. During the legal proceedings related to such a dispute, the effect of the sanction would be suspended. The new version of the Law no longer specifies the amount of the fine and stipulates that a decision concerning the suspension/revocation of a broadcaster's authorization cannot be immediately enforced. During legal proceedings related to such a dispute, the effect of the sanction shall be suspended.

The aforementioned Commission is authorized to request information from a provider of media services and video-sharing platform services, while the provider of media services and video-sharing platform services is obligated to provide the Commission, fully and within a specified timeframe, with the requested information related to the fulfillment of the tasks and functions provided for by this Law and the normative acts of the Commission. The provided documentation must contain information confirming compliance with the legislation of Georgia, the conditions of the

license/authorization, the code of conduct, and the requirements established by the legislation of Georgia on copyright and related rights. In addition to the foregoing, after June 12, 2025, the authority to request confidential information (banking secrecy) as provided for by the Law of Georgia on the Activities of Commercial Banks and the Law of Georgia on the Activities of Microbanks was additionally established.

The following provision also constitutes a legislative novelty: in the event that a provider of media services and video-sharing platform services fails to provide or provides incomplete confidential information to the Commission as stipulated by the Law of Georgia on the Activities of Commercial Banks or the Law of Georgia on the Activities of Microbanks, the Commission is authorized to request said information from the commercial bank and/or microbank in accordance with the procedure established by the Administrative Procedure Code of Georgia.

The aforementioned amendments entered into force upon their publication on June 13, 2025.

5. Amendments to the Law „on Innovations“

On September 25, 2025, amendments were introduced to the Law of Georgia “on Innovations” (hereinafter the “Law”). The amendments establish new and additional mechanisms for state support of startups. These changes define a Technological Park as an infrastructural space that provides technological, infrastructural, and professional services to interested parties.

The law also clarifies the concept of Acceleration as a mechanism to promote innovation, which includes providing a workspace for innovative entities selected through a competition, along with developing their business ideas and models and, if necessary, making investments as specified by the competition's terms.

Additionally, the Law now defines an innovative startup as a commercial company that creates an innovative product, develops an innovative process, and/or produces an innovative service. To obtain this status, the company must have received at least 100,000 GEL in investment from an investment fund, an angel investor network, or a member of that network within the last two years before submitting the application. Alternatively, the company must have received at least 150,000 GEL in grant funding from the Georgian Innovation and Technology Agency. The status of an innovative startup is granted for a period of one year.

A crucial element of the new Law is the establishment of special benefits for innovative startups. For the first three years after obtaining this status, the salaries they issue are exempt from income tax, within established limits. From the fourth to the sixth year, salaries will be subject to a 5% income tax, and the profit tax rate will also be 5%. From the seventh to the tenth year, both income and profit tax rates will increase to 10%. It is important to note that an innovative startup cannot hold another preferential status, such as that of an International Company or a Virtual Zone Person, and if a company holds such a status, it will be revoked. Additionally, a company can only benefit from the

innovative startup status for a maximum of ten years.

Additionally, the status of an innovative small and medium-sized company has been defined. To obtain this status, a company must meet the following requirements: the volume of its research and development expenses must exceed 100,000 GEL and must be at least 5% of the company's revenue for the same year. Furthermore, these research and development expenses are subject to additional legislative requirements. Notably, the status of an innovative small and medium-sized company is granted indefinitely and applies to both third and fourth category enterprises.

An Innovations Register is also being created for the innovation sector. This will be a unified database containing information on innovative startups, small and medium-sized companies, research and development service providers, as well as investment funds, angel investor networks, and accelerators. The purpose of this register is to systematize and make visible all the key participants in the innovation ecosystem.

A range of benefits has also been established for innovative small and medium-sized companies. They have the right to reduce their profit tax base for dividend distribution from accumulated net profits of the previous financial year by triple the amount spent on research and development in that same year. In addition, when profits are reinvested, companies can take advantage of other support mechanisms defined by a decree of the Government of Georgia.

Companies with the status of a Research and Development Service Provider will also benefit from special tax incentives. This status is granted to an enterprise whose primary activity is research and experimental development in the natural and engineering sciences. Additionally, revenue from such activities in the previous financial year must constitute at least 80% of the company's total revenue. The income tax on salaries paid by a company with this status and the company's profit tax will both be subject to a 5% tax rate.

To obtain the aforementioned statuses, an application must be submitted to the Georgian Innovation and Technology Agency. The Agency then forwards the application to the Ministry of Economy for consideration. Ultimately, based on the Ministry's submission, the Government of Georgia grants the status to the specific entity.

To maintain the innovative startup status, an entity must submit information to the Agency annually, no later than 30 days before the status expires, confirming its compliance with the legal requirements. Entities with the status of an innovative small and medium-sized company or a research and development service provider are required to submit information to the Agency by April 30th of each year, confirming their compliance with the legal requirements for the preceding financial year.

6. Amendments to the Organic Law of Georgia "on National Bank of Georgia"

On May 13, 2025, an amendment was made to the Organic Law of Georgia "on the National Bank of Georgia" (hereinafter referred to as the "Organic Law").

The Organic Law sets forth the principal functions and objectives of the activities of the National Bank of Georgia. It is noteworthy that the National Bank of Georgia is the central bank of Georgia, the bank of banks, and the banker and fiscal agent of the Government of Georgia. It is a Legal Entity of Public Law. In its activities, the National Bank shall be governed by the Constitution of Georgia, this Organic Law, the legislation of Georgia, and shall be guided by the rules and customs adopted in international banking practice. It has the right to independently enter into contracts; to independently acquire, possess, and dispose of real and movable property; to appear as a plaintiff and a defendant in court; and to independently perform the functions assigned to it.

Pursuant to the amendment of May 13, 2025, the procedure related to the audit of the reporting of the National Bank was modified. Under the previous version of the law, for the purpose of conducting an audit of the financial reporting of the National Bank, the Parliament of Georgia would, no later than November 1, select one audit firm (the Auditor) from among the world's four largest audit firms for a term of not less than two and not more than four years. The current version of the law now stipulates that for the purpose of conducting an audit of the financial reporting of the National Bank, the Parliament of Georgia shall, no later than December 1, select one audit firm (the Auditor) from among the world's four largest audit firms for a term not exceeding

three years. The selected audit firm shall be entitled to conduct the audit of the annual financial reporting for a maximum of three consecutive times.

The aforementioned amendment entered into force on July 1, 2025.

7. Amendments to the Law of Georgia "on the Activities of Micro-Banks"

On June 12, 2025, according to the amendment introduced, the provision governing banking secrecy was changed. The law strictly stipulates that no person shall have the right to grant access to, disclose, disseminate, or use for personal gain any confidential information. Confidential information may be provided only to the National Bank of Georgia and, within the scope of their respective competences, to the Dispute Resolution Commission established at the National Bank of Georgia, as provided for by the Organic Law of Georgia "on the National Bank of Georgia."

According to the Law of Georgia on the Activities of Micro-banks, information about any transaction (including attempted transaction), payment operation, account, transaction from the account and the balance on the account may be released to the party participating in the relevant transaction, during the execution of the payment operation – to the paying person and/or the receiving person, the holder of the relevant account and their representatives, in the cases provided for by the legislation of Georgia – to the Financial Monitoring Service of Georgia and persons who are authorized to

execute subordinate acts on enforcement as determined by the Law of Georgia “on Enforcement Proceedings”, in the process of the enforcement thereof, when carrying out checks provided for by the Law of Georgia “on Personal Data Protection” – to the Personal Data Protection Service, on the basis of a court decision provided for by the Administrative Procedure Code of Georgia – to the Legal Entity under Public Law called the Georgian National Communications Commission, on the basis of a court decision provided for by the Administrative Procedure Code of Georgia, the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement the Foreign Account Tax Compliance Act (FATCA), the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS MCAA) within the scope of the Convention of 25 January 1988 on Mutual Administrative Assistance in Tax Matters, or the agreement on automatic exchange of financial account information between Georgia and the appropriate jurisdiction – to the tax authority, and in the case provided for by the Law of Georgia on Deposits Insurance System – to the Legal Entity under Public Law called the Deposit Insurance Agency. This information may also be released based on a relevant court ruling.

Notably, prior to the amendment of June 12, 2025, the law did not provide for the possibility of transferring banking secrecy to the LEPL Georgian National Communications Commission on the basis of a court decision under the Administrative Procedure Code of Georgia.

The aforementioned amendment entered into force upon publication, specifically on June 13, 2025.

8. Amendments to the Law of Georgia “on Commercial Bank Activities”

On June 12, 2025, an amendment was made to the Law of Georgia "on Commercial Bank Activities" (hereinafter the "Law"). According to the Law, no person has the right to grant access to, disclose, disseminate, or use for personal gain any confidential information. Confidential information may be provided only to the National Bank and, within the scope of their respective competences, to the Dispute Resolution Commission established at the National Bank, as provided for by the Organic Law of Georgia "on the National Bank of Georgia."

Information about any transaction (including attempted transaction), payment operation, account, transaction from the account and the balance on the account may be released to the party participating in the relevant transaction, during the execution of the payment operation – to the paying person and/or the receiving person, the holder of the relevant account and their representatives, in the cases provided for by the legislation of Georgia – to the Financial Monitoring Service of Georgia and persons who are authorized to execute subordinate acts on enforcement as determined by the Law of Georgia “on Enforcement Proceedings”, in the process of the enforcement thereof, when carrying out checks provided for by

the Law of Georgia on “Personal Data Protection” – to the Personal Data Protection Service, on the basis of a court decision provided for by the Administrative Procedure Code of Georgia – to the Legal Entity under Public Law called the Georgian National Communications Commission, on the basis of a court decision provided for by the Administrative Procedure Code of Georgia, the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement the Foreign Account Tax Compliance Act (FATCA), the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS MCAA) within the scope of the Convention of 25 January 1988 on Mutual Administrative Assistance in Tax Matters, or the agreement on automatic exchange of financial account information between Georgia and the appropriate jurisdiction – to the tax authority, and in the case provided for by the Law of Georgia on Deposits Insurance System – to the Legal Entity under Public Law called the Deposit Insurance Agency. This information may also be released based on a relevant court ruling.

The novelty of the June 12, 2025, amendment is the provision allowing for the transfer of banking secrecy to the LEPL Georgian National Communications Commission on the basis of a court decision under the Administrative Procedure Code of Georgia.

The aforementioned amendment entered into force upon publication, specifically on June 13, 2025.

9. Amendments to the Organic Law of Georgia “on Constitutional Court of Georgia”

On 13 May 2025, an amendment was introduced to the Organic Law of Georgia “on the Constitutional Court of Georgia” (hereinafter the “Organic Law”), which entered into force on the same day.

Pursuant to the above-mentioned amendment, the time limit for the Constitutional Court to render a decision on a constitutional claim concerning the constitutionality of a political party’s activities and the termination of the authority of a member of a representative body elected through the nomination of that political party shall not exceed 9 months from the submission of the said claim to the Constitutional Court. In the case provided for by the Organic Law of Georgia “on Political Associations of Citizens”, which envisages the prohibition by the Constitutional Court of a political party whose objective is to overthrow or forcibly change the constitutional order of Georgia, to encroach upon the independence of the country, to violate its territorial integrity, or which engages in war or violence propaganda, incites national, regional, religious or social strife, or has established or establishes an armed formation, the time limit for rendering a decision shall not exceed 14 days from the submission of the said claim to the Constitutional Court.

The running of the nine-month period for the consideration of a constitutional claim or a constitutional application shall be suspended from the receipt by the Constitutional Court of Georgia of any

constitutional claims provided for by the same law, such as a constitutional claim concerning the regulations governing upcoming elections or referenda and the constitutionality of elections or referenda to be conducted on the basis of those regulations, a constitutional claim concerning the regulations governing the election of the President of Georgia and the constitutionality of a presidential election conducted on the basis of those regulations, a constitutional claim concerning the constitutionality of a political party's activities and the termination of the authority of a member of a representative body elected through that political party, until a decision is rendered on the respective claim, as well as from the receipt by the Constitutional Court of a constitutional submission until a conclusion or decision is rendered thereon.

In the event that, during the consideration of the above-mentioned constitutional claim, other claims provided for by law are submitted to the Constitutional Court, the time limit for consideration shall be calculated from the date of rendering a decision on the claim that is undergoing substantive consideration.

The hearing of a case under the jurisdiction of the Plenum of the Constitutional Court shall commence prior to the hearing of a case under the jurisdiction of a Board. The Constitutional Court shall, out of sequence, consider the following matters as provided for by this Law:

- A matter concerning the constitutionality of the establishment and activities of a political party, and the termination of the authority of a

member of a representative body elected through the nomination of that political party;

- A dispute regarding the regulations governing referenda and elections, and the constitutionality of elections (or referenda) conducted or to be conducted on the basis of those regulations;
- A matter concerning the recognition or early termination of the authority of a member of the Parliament of Georgia;
- A matter concerning the conformity of normative acts of the Supreme Council of the Autonomous Republic of Adjara with the Constitution of Georgia and the Organic Law of Georgia on the Autonomous Republic of Adjara;
- A matter concerning the conformity of normative acts with the regulations governing the judicial branch and the High Council of Justice as defined by the Constitution of Georgia;
- A matter concerning the constitutionality of an international treaty;

Furthermore, pursuant to the amendment of 26 June 2025, a change was introduced to the terminology of the previous version of the Law. According to the new amendment, a member of the Constitutional Court whose ability to perform their duties has been impeded as a result of an attack related to their professional activities shall be entitled to monetary assistance: in the event of partial loss of working capacity — in an amount equivalent to one year of their official remuneration; and in the event of total loss of working capacity — in an amount equivalent to five years of their official remuneration.

The same amendment also established the monthly official remuneration rates for members of the Constitutional Court of Georgia:

The monthly official remuneration of a member of the Constitutional Court shall be determined by multiplying the base official remuneration established by the State Budget Law of Georgia for the relevant year by the following salary coefficient:

- President of the Constitutional Court – 10.00;
- Vice-President and Secretary of the Constitutional Court – 9.00;
- Any other judge of the Constitutional Court who does not hold the position of President or Vice-President – 8.50.

Both of the aforementioned amendments entered into force on the day of their adoption.

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

On 12 June 2025, an amendment was introduced to the Law of Georgia on Grants, which entered into force on the same date.

According to the amendment, an addition was made to the definition of the term “grant”. Under the new version, a grant is a targeted contribution provided free of charge by the grantor (donor) to the grantee, in monetary or in-kind form, which is used for the implementation of a specific project or program of state or of public significance in the fields of humanitarian, educational, scientific-research, healthcare, defense and security, cultural, sports,

environmental, agricultural development, or social activities.

The Law was also supplemented with a provision according to which a grant shall also be considered to include assistance provided for the purpose specified in paragraph one of this article by a grantor (donor) as envisaged by this Law, such as: an international charitable, humanitarian, or other public organization (including an international sports association, federation, or committee), another international organization, a financial or credit institution, as well as a foreign government or its representation, or a foreign entrepreneurial (if the grantee is the state or the Government of Georgia) or non-entrepreneurial (non-commercial) legal entity, in the form of technical assistance for the grantee envisaged by this Law, including the provision of technologies, specialized knowledge, skills, expertise, and/or other forms of assistance.

Furthermore, an amendment was introduced to the definition of a grantor (donor). Under the new version, a grantor (donor) may be an international charitable, humanitarian, or other public organization (including an international sports association, federation, or committee), another international organization, a financial or credit institution, as well as a foreign government or its representation, or a foreign entrepreneurial (if the grantee is the state or the Government of Georgia) or non-entrepreneurial (non-commercial) legal entity.

A change was also enacted to the definition of the legal basis for granting a grant. According to the new regulation, the legal

basis for granting a grant is a written agreement between the grantor (donor) and the grantee (regardless of whether it is presented as a single document or multiple interrelated documents, and irrespective of its specific title), as well as a written decision of a foreign grantor (donor), including an official written decision of an international sports organization to allocate targeted material and immaterial assets (including funds) to a Georgian sports federation or club. The agreement shall specify the purpose of the grant, its amount, the specific directions for the use of the funds, the timeframe for their utilization, and the main requirements that the grantor (donor) imposes on the grantee.

Furthermore, a provision was added to the article regulating the procedure for granting a grant by a foreign grantor (donor), according to which the granting of a grant by a foreign grantor (donor) to a budgetary organization shall be subject to the rules established by the Organic Law of Georgia Code of Local Self-Government and/or the relevant normative act of the Government of Georgia.

An amendment was also introduced to the exceptional conditions of the procedure defined in the same article, according to which the rule established by this Law, concerning the requirement for the consent of the Government of Georgia or an authorized person/body designated by the Government of Georgia for granting a grant by a grantor (donor) to a grantee, shall not apply to grants provided by an international sports association, federation, or committee, to individual financial support granted outside the territory of Georgia for general or higher education and scientific

work, as well as to grants provided under the European Union's research and innovation program "Horizon Europe", the European Union program "Erasmus+", by the German Academic Exchange Service (DAAD), and under the program "Creative Europe" between Georgia and the European Union.

The amendment also added a provision to the same article, according to which the Government of Georgia shall establish the procedure and conditions for obtaining the consent of the Government of Georgia or an authorized person/body designated by it for granting a grant by a foreign grantor (donor).

11. Amendment to the Law of Georgia "on Labour Inspection Service"

On 26 June 2025, an amendment was introduced to the Law of Georgia „on Labour Inspection Service“ (hereinafter the “Law”) which entered into force on the same date.

The amendment modified the article regulating the objectives, functions, and main areas of activity of the Labor Inspection Service.

According to the amendment, the activities of the Labor Inspection Service shall not apply to the Ministry of Internal Affairs of Georgia, the Ministry of Defense of Georgia, the State Security Service of Georgia, the Special State Protection Service of Georgia, and their subordinate bodies, if the matters provided for under this Law are regulated by special legislation applicable within the systems of the Ministry of Internal Affairs of Georgia, the

Ministry of Defense of Georgia, the Special State Protection Service of Georgia, and the State Security Service of Georgia.

12. Amendments to the Law of Georgia “on Environmental Liability”

On 26 June 2025, an amendment was introduced to the Law of Georgia on Environmental Liability (hereinafter the “Law”), which entered into force on 4 July 2025. According to the amendment, a new article was added establishing sanctions for causing damage to the environment: Causing significant damage to the environment through unlawful actions, except in the context of particularly hazardous activities, shall result in a fine ranging from GEL 40,000 to GEL 80,000, with or without confiscation of the instrument of the violation and with confiscation of the object of the violation. Causing significant damage to the environment in the context of particularly hazardous activities shall result in a fine ranging from GEL 50,000 to GEL 100,000, with or without confiscation of the instrument of the violation and with confiscation of the object of the violation.

According to the amendment, the administrative penalty provided for by this Law may be imposed on the offender no later than six months from the date the relevant administrative violation is detected. The amendment also affected Annex 1 of this Law, which defines the criteria for determining significant damage. According to the amendment, the criterion for determining “damage to land” includes

the following case: the concentration of polluting chemical substances in wastewater discharged into a surface water body exceeds the established norms by ten times or more. In addition, the list of polluting chemical substances and their maximum allowable concentrations in wastewater discharged into a surface water body shall be determined by the resolution of the Government of Georgia on the Approval of Environmental Technical Regulations.

According to the amendment, for an offender who committed an act causing significant damage prior to the entry into force of this Law, the period for imposing an administrative penalty for administrative liability shall commence from 4 July.

The same amendment also establishes that, within one month from the entry into force of this Law, the Government of Georgia, upon the submission of the Ministry of Environmental Protection and Agriculture of Georgia, shall ensure the alignment of the relevant subordinate normative act with this Law.

13. Amendments to “Waste Management Code”

On 26 June 2025, amendments were introduced to the Waste Management Code. These amendments shall enter into force on 1 October 2025.

The amendment introduced certain additions to the provision regulating the registration of activities related to waste management.

Accordingly, the following activities related to waste management are subject to registration:

- Collection and/or transportation of waste;
- Establishment and operation of temporary storage facilities for non-hazardous waste exceeding 50 tons;
- Pre-treatment of up to 100 tons of non-hazardous waste per year;
- Establishment and operation of temporary storage facilities for hazardous waste of not less than 2 tons and not more than 10 tons;
- Establishment and operation of waste transfer stations;
- Recovery/disposal of up to 10 tons of non-hazardous waste per year;
- Activities related to waste management of wastes listed in Annex II of the Environmental Assessment Code, which, based on a screening decision, were not subject to the environmental impact assessment procedure.

A provision was added to the article regulating violations of the registration procedure and conditions for the collection, transportation, pre-treatment, and temporary storage of waste, according to which conducting activities related to the management of wastes listed in Annex II of the Environmental Assessment Code without registration, if such activities were not subject to the environmental impact assessment procedure based on a screening decision, shall result in a fine of GEL 5,000.

14. Amendments to the “Environmental Assessment Code”

Amendments were made to the Code of Environmental Assessment On June 26, 2025, which entered into force on the same date.

Effective as of June 26, 2025, the definitions of terms have been amended to include the concept of a change of operating conditions. This is defined as any modification that involves either replacing the existing production technology of an activity specified in an environmental decision with a different technology, altering the operating conditions, and/or increasing productivity. Furthermore, a change of operating conditions also includes the expansion of the location where an activity specified in an environmental decision is conducted, provided that the new territory is necessary for placing infrastructure that is technically and/or functionally connected to the performance of that activity

Under the same amendments, the definition for "Ministry" was removed from the list of terms, and the meaning of the term "screening" was revised. The new definition of screening is a procedure that determines the necessity of conducting a strategic environmental assessment for a strategic document, carrying out an Environmental Impact Assessment (EIA) for activities specified in Annex II of this code, and submitting an EIA report regarding a change of operating conditions for an activity specified in an environmental decision.

A change was also introduced to the article that regulates the competence of the Agency in the field of environmental

assessment. According to the amendment, the Agency's competence in the field of environmental assessment includes: determining the need to conduct an EIA for activities specified in Annex II of this code, to submit an EIA report regarding a change of operating conditions for an activity specified in an environmental decision, and to conduct a SEA within its competence, based on the screening procedure; as well as creating an expert commission for the purpose of reviewing the EIA report, the SEA report, the EIA report on a change of operating conditions, and the draft strategic document; also reviewing the EIA report on a change of operating conditions for an activity specified in an environmental decision and making a corresponding decision; and ensuring the participation of the public/interested public in the process of making decisions specified by this code, as well as the availability of relevant information and holding public discussions for this purpose.

The amendments removed the provision that assigned the Center competence to ensure the participation of the public/interested parties in the process of making decisions specified by this code, and to ensure the availability of relevant information and the holding of public discussions for this purpose.

In accordance with the amendments to the general provisions of the Law, the Agency and the activity implementer were granted the following rights:

The Agency is authorized to amend the relevant administrative-legal act with the consent of the activity implementer if an inspection determines that the conditions

at the activity's location do not correspond to the circumstances reflected in the EIA report/exemption documentation, or if the environmental impact has not been fully assessed.

The activity implementer may submit a reasoned motion to the Agency to request a change in an environmental condition if the existing condition is insufficient to prevent or reduce environmental impact, or if a more effective condition is necessary.

The Agency is also authorized to amend a decision or administrative-legal act if it specifies an obligation for additional study of environmental components and the results of the research indicate that a change is necessary.

The Agency is obligated to post the relevant announcements and documents regarding the changes on the environmental information portal and on the information board of the respective municipality within three days of initiating the process. The public has the right to submit opinions and comments within 15 days, and the Agency will review and, where appropriate, take them into consideration.

15. Amendments to the “Civil Procedure Code of Georgia”

In accordance with the amendments made to the Civil Procedure Code of Georgia, the consideration of defamation cases in court is now subject to new rules, effective from June 27, 2025.

Under the new regulations, a lawsuit for defamation must be filed with the court

within 100 days from the date a person became, or could have become, aware of the statement they consider defamatory. The new rules also establish an expedited three-day period for the court to accept such a lawsuit for proceedings. The same three-day

period applies to the review of a court ruling's appeal. These changes do not affect lawsuits or appeals filed before the law's effective date.

16. Amendments to the Law of Georgia “on Common Courts”

An amendment was introduced to the Law “on Common Courts” (hereinafter the “Law”) in June 2025, which fully prohibits photo and video recording on court grounds. The only exception is for a specific court proceeding, which requires a decision from the High Council of Justice regarding its recording or broadcasting. Furthermore, liability for contempt of a judge has been extended to apply to any person, under any circumstance, even outside the courtroom and court grounds.

While certain norms regulating internal organizational matters will come into effect on September 1, 2025, the remaining amendments became effective on June 27, 2025.

17. Amendments to the Law of Georgia “on Narcotic Drugs, Psychotropic Substances and Precursors, and Narcological Assistance”

On 2 July 2025, several significant amendments were introduced to the Law of Georgia on “Narcotic Drugs, Psychotropic Substances, Precursors, and Narcological Assistance” (hereinafter the “Law”).

Pursuant to the amendments, as of 1 September 2025, the right to import substances subject to special control into the territory of Georgia shall be granted exclusively to a legal entity holding the relevant permit, which is either established by the State or by a legal entity established or managed by the State, on the basis of documentation prescribed by legislation. Ministry of Internally Displaced Persons from the Occupied Territories, Health, Labour and Social Affairs of Georgia (hereinafter – the “Ministry”) shall be authorized, where necessary, to grant the right to import narcotic drugs and psychotropic substances to another legal entity.

In addition, it is noteworthy that the aforementioned restriction shall also extend to the right of wholesale distribution of substances subject to special control. In this case as well, the said authority shall be vested exclusively in the State or in a legal entity established or managed by the State. The amendment relating to distribution shall enter into force on 1 October 2025.

The amendments to the Law adopted on 2 July 2025 also concerned entities engaged in the provision of opioid substitution treatment. As of 15 August of the same year, the legislative clause entered into force whereby the right to

carry out the aforementioned treatment shall be granted solely to a legal entity established by the State or to an entity established by a legal entity founded by the State. At present, this authority is vested in the LLC “Center for Mental Health and Drug Prevention” as well as in eight other entities.

Until 1 October 2025, the right to import narcotic drugs and psychotropic substances shall be granted to a legal entity which, prior to 2 July 2025, the date of publication of this Law, submitted to the Legal Entity of Public Law under the State control of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Protection of Georgia – the Medical and Pharmaceutical Activities Regulation Agency (hereinafter – the “Agency”) – documentation evidencing the purchase of the relevant narcotic drug/psychotropic substance.

From the date of publication of this Law until 1 October 2025, the wholesale distribution of imported narcotic drugs and psychotropic substances shall be permissible only with the consent of the Agency. The procedure for granting such consent shall be approved by the Minister of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Protection of Georgia.

According to the amendments, it shall be permissible for wholesale distributors of pharmaceutical products subject to special control to transfer, for consideration, the stocks of narcotic drugs and psychotropic substances in their possession as of 15 August 2025 to a legal entity established by the State or by a legal entity established or managed by the State. The consideration shall equal the amount paid in the course of the purchase, importation into Georgia, and related measures, as evidenced by the relevant documentation, plus ten percent.

A legal entity engaged in the wholesale distribution of a pharmaceutical product subject to special control, which is established by the State or by a legal entity founded or managed by the State, shall be exempt from the obligation to obtain the license provided for by law until January 1, 2029

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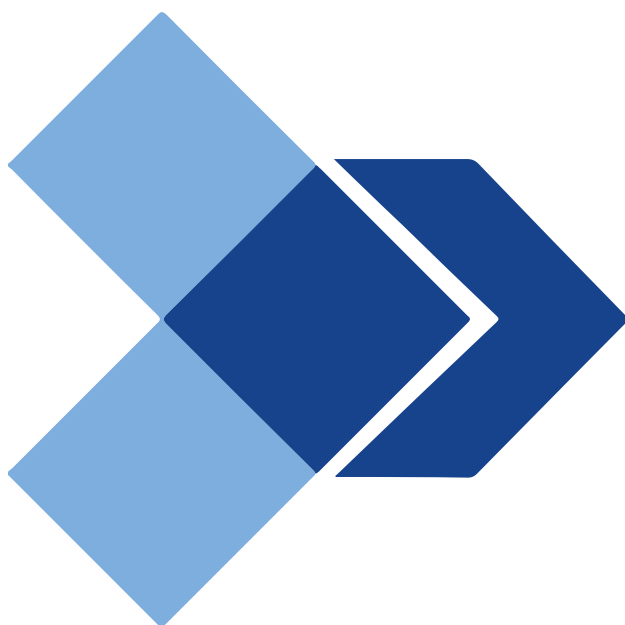
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