
Amendments to the Instruction established by the Order №996 of the Minister of Finance of Georgia

Input VAT on fixed assets put into operation

According to the amendment dated 15 August 2019:

The note was added to the article 72 (3.b) with regard to Input VAT on the balance of fixed assets, which defined that:

- Input VAT deduction shall be allowed on the balance of fixed assets which were put into operation in the same month as the registration obligation of a VAT payer arose.

Source: Legislative Herald of Georgia, 30 September, 2019

Amendments to the Order №290 of the Minister of Finance of Georgia

Order №290 of the Minister of Finance of Georgia has been revoked.

According to the amendment dated 29 August 2019:

The Order №290 of the Minister of Finance of Georgia on approval of the instruction on movement and registration of goods across the customs territory of Georgia has been revoked. In return, Order №257 of the Minister of Finance of Georgia was approved.

Source: Legislative Herald of Georgia, 30 September, 2019

Law of Georgia on Labor Safety

Duties of employer

From 1 September 2019, Law of Georgia on Labor Safety applies to all economic enterprises.

The law sets forth several obligations for employers:

- Compliance with labor safety provisions;
- Recording accidents, professional diseases and hazards at the workplace and provide information to the employee and/or his/her representative by request;
- Regular inspection and documentation of technical equipment of enterprise;
- Provide the employee with information on professional risks and adverse industrial factors that may affect their health;

**Requirements
regarding
appointment of
specialists**

- Appoint one or more employee as a labor safety specialist or create a labor safety unit in line with the following obligation:
 - An employer having 20 or less employees may personally perform the duties of a labor safety specialist if he or she has completed the relevant accredited program;
 - An employer having 20 to 100 employees shall have at least one labor safety specialist;
 - For 100 or more employees, the employer shall create labor safety unit with at least 2 labor security specialists.

**Obligation to provide
information**

- An employer shall also conduct relevant trainings for the employees with regard to the work procedures and provide them with the information regarding the following issues:
 - Regulations and principles of safe labor to ensure labor safety;
 - Instructions and guidelines on working procedures, safe use of technics and other work equipment;
 - Emergency situations, evacuation procedures and their implementation;
 - Current risks and performed mechanisms for their control.
- Employers are obliged to provide relevant trainings:
 - While hiring new employees;
 - While changing the job location of employees;
 - Prior to the introduction of new technological processes and working methods as well as changing machines and equipment or production process.
 - As per the needs of the risk management of the company;

Source: Legislative Herald of Georgia, 30 September, 2019

Law of Georgia on Mediation

The Law of Georgia on Mediation was published on 27 September 2019. Under the law:

- During court mediation, the parties select one or more mediators from the proposed list of nominees of mediators;
- If the parties fail to agree on a mediator within 3 days, the next person registered in the registry shall be appointed;

- A person shall not be a mediator if:
 - Before the mediation process, s/he was a party of the same case or another case substantially related to it or was a representative of that party in court, arbitration or similar proceedings;
 - S/he provided legal and/or audit services to the mediation party;
 - S/he was/is a judge, juror, prosecutor, investigator, trial secretary, arbitrator or expert in a court, arbitration or similar proceeding, or has participated in the said case as a civil servant, mediator notary, except when the case under consideration is substantially related.
- Prerequisites for mediation are:
 - Mediation agreement;
 - Transfer of the case to a mediator by the court or other competent authority;
 - Other cases provided by the law;
- A party may refuse to participate in any mediation at any stage of the process unless otherwise provided by the law or parties' agreement.

Source: Legislative herald of Georgia, 30 September, 2019

Draft law on Personal Data Protection

On 22 May 2019 the Draft Law of Georgia on Personal Data Protection was initiated.

According to the draft law:

Terms of video surveillance

- Video surveillance of the employee's work process/space is permitted only in exceptional cases, if necessary for protecting the security and property, as well as for confidential information protection, when other measures cannot be attained or it needs disproportionatal efforts;
- The employer is obliged to inform the employee about the specific purposes of the video surveillance.
- Data can be processed for direct marketing only with the consent of the data subject.
- The data subject should be able to request termination of processing for direct marketing purposes.
- The following data subject rights are provided by the draft law:
 - Receive information from the data processor for free whether data related to data subject is being processed

Data-subject rights

and for what purpose;

- Receive the above information from the data processor within 10 business days of the request;
- Read and receive copies of related information;
- Request to correct, update and/or fill in related data;
- Require termination, deletion or destruction of processing in a number of cases;
- Recall consent for data processing.

- The draft law also provides for the establishment of the Institute for Personal Data Protection Officer. According to the draft, the following institutions will be required to have a personal data protection officer:

Personal Data Protection Officer

- Public institutions (except religious and political organizations);
- Insurance organization;
- Commercial Bank;
- Microfinance Organization;
- Credit Bureau;
- Electronic communications company;
- Airline companies;
- Airports;
- Medical institutions which provides services to at least 10,000 data subjects per year;
- Data processor/authorized person who processes large amounts of data subjects data or performs systematic and large-scale monitoring of their behavior.

- The duty of personal data protection officer includes:

- Informing the data processor, authorized person and their employees about data protection issues;
- Participate in the development of internal data processing regulations and data protection impact assessment documents;
- Analyze and respond to applications and complaints regarding data processing;
- Receiving consultations from the State Inspector, providing the required information and documents and coordinating and monitoring the implementation of recommendations;
- Providing information in case of request of data subject.

Duties of Personal Data Protection Officer

Source: Parliament of Georgia, 30 September, 2019

Draft law of Georgia on Anti-dumping commerce

Definition of Dumping

Under the draft law, initiated on 2 July 2019 in Parliament, dumping means placing the product on the local market at below price than its normal cost. In such cases, the export price of the product in the ordinary course of trade is less than the comparable price for a similar product intended for the local market of the exporting country.

Monitoring

- To prevent dumping in the local industry, the draft law sets anti-dumping measures - initiation of pre and/or special anti-dumping tariffs.
- Before the initiation of the anti-dumping tariff, the Competition Agency conducts a research and based on the outcome, submits the report to the Government of Georgia regarding the needs of initiation of special tariffs;
- The monitoring of a particular object begins with a written statement from the local industry;
- Special anti-dumping tariffs will be introduced for a period not exceeding 5 years upon the decision of the Government of Georgia.

Source: Parliament of Georgia, 30 September, 2019



Let's talk

For a deeper discussion of how this issue might affect your business, please contact us at PwC Georgia

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