

PwC Georgia Tax & Law Brief

5 March 2019

Amendment to the Labor Code of Georgia

On 19 February 2019 the Parliament adopted the following amendments into the Labor Code of Georgia:

Discrimination on pre-contractual stage

Illegal termination

Obtaining information during the precontractual negotiations

- While the Labor Code prohibits any kind of employment discrimination during contractual or precontractual negotiations, the amendment specified examples of such pre-contractual discrimination, amongst others discrimination during the vacancy announcement or the employee selection process.
- Further, the amendment prohibits to terminate an employment contract or/and act negatively towards the employee because the employee has filed an application or complaint with the relevant body or cooperated with the institutions against the discrimination.
- According to the amendment, an employer is entitled to obtain information about the candidate, except the following information:
 - which is not relevant to the work performance of the employee;
 - which is not necessary to determine the ability of the employee to perform the relevant work or to make a decision on the selection process;
- In addition, employer is not entitled to require the candidate to provide information regarding his/her religion, belief, disability, sexual orientation, ethnic origin, pregnancy, except when it is required by the law.

Source: Legislative Herald of Georgia, 1 March 2019

Decree of the Government of Georgia on “Technical Regulation- On Approval of Providing Information on Food to the Consumer – Rules of Food Labeling”

On 1 March 2019 “Technical Regulation- On Approval of Providing Information on Food to the Consumer - Rules of Food Labeling ” has been enacted.

Foods subjected to the regulation

- The regulation applies to food products that are subject to state control and are used by an ultimate consumer.
- According to the Decree, the following information is mandatory to be provided regarding food products:

Mandatory information on the label

- Name (types) and its ingredients , properties or other characteristics;
- Information related to the customer health and food safety;
- A description of the food ingredients harmful for certain groups of consumers;
- Suitability for the use of fitness, storage and maintenance;
- Quality of health impacts, including risks and consequences related to food harmful and hazardous use;
- Information about nutritional value;

Requirements of Mandatory information

- Information about food shall not be misleading.
- Mandatory information, must be visible on the product. It must be stated clearly and may not be possible to remove. Information in whole or in part shall not be confined to any other inscription, graphic representation or other materials that make it impossible to understand provided information.
- Compulsory information on food should be presented in Georgian language. Other languages with Georgian are also permitted.
- Violation of the rules envisaged by the decree will result in 200 GEL fine to small business, for other business operators 400 GEL.

Violation of the rules

- The same action committed repeatedly within 1 year - shall be subject to the fine of 600 GEL.

Source: National Food Agency, 01 March 2019

Report of the Personal Data Protection Inspector

On 1 March 2019 Personal Data Protection Inspector published the Report on major data protection problems of 2018 year.

Violation of Direct Marketing Rules

- One of the major issues underlined in the report is direct marketing. According to the report, messages can be deemed as a direct marketing, if it directly or indirectly establishes free or payable offer of goods, services and/or employment.
- In most cases, the messages sent for advertising purposes do not offer refusal system, or contain unclear wording. Such direct marketing violates the law.

Source: Office of the Personal Data Protection Inspector, 2 March 2019

Let's talk

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

Sergi Kobakhidze

Director, Tax & Law Practice
E-mail: sergi.kobakhidze@pwc.com
Tel: + 995 32 250 80 50

Vano Gogelia

Head of Legal Practice
E-mail: vano.gogelia@pwc.com
Tel: + 995 32 250 80 50

PwC in Georgia offers Integrated Assurance, Tax, Legal and Advisory services. PwC Network globally employs 250 000 people in 756 locations across 158 countries who share their thinking, experience and solutions to develop fresh perspectives and effective practical advice.

PwC Georgia **Tax Services** includes tax advisory services, tax reviews and tax compliance, transfer pricing compliance, representation during tax disputes, tax structuring, double tax treaty advice, tax due diligence support, customs matters and others.

PwC Georgia **Legal Services** offers a full range of legal support in corporate and commercial law, corporate reorganizations, corporate secretarial work, M&A, competition compliance & litigation, secured transactions, employment law, immigration, construction law and other. With over 3,500 lawyers across more than 100 countries, we have the broadest geographical coverage of any legal services network in the world.