

LEGAL NEWSLETTER

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Amendments to the Law of Georgia on Privatization of State-Owned Property, dated 24 June 2004, provide for a total amount to be paid within one year term from entering into privatization contract over state-owned property under the form of direct sale, instead of 30 days term formerly provided by the Law. In addition, according to the Law of Georgia on Privatization of State-Owned Property, dated 30 May 1997, decision on privatizing state-owned property through the direct sale and respective terms and conditions shall be taken by the President of Georgia.

Amendments into the Law on Temporary Entry, Stay and Exit of Foreigners in Georgia, and, the Law on Consular Duties, dated 13 August 2004, introduces reduced new rates of duties to be paid on Georgian visas. The respective amounts are: (a) USD10 equivalent on GEL-one entry visa, 1 month duration of stay; (b) USD 30 equivalent in GEL-one entry visa, 3 month duration of stay; (c) USD 10 equivalent in GEL-exit visa; (d) 150% of duties for

respective one entry visa-two entries visa; (e) USD 100 equivalent in GEL-multiple visa for 1 year term; (f) USD 5 equivalent in GEL-one entry transit visa; (g) USD 10 equivalent in GEL-two entries transit visa.

The Law of Georgia On Making Amendments and Supplement to the Law of Georgia On Registration Fees, dated 24 June 2004, introduced certain changes regarding tariffs prescribed for registration of legal entities and rights to immovable property. The Law further delineated competent bodies authorized to conduct such registration.

The respective territorial bodies of the Ministry of Justice of Georgia shall carry out the following types of registration with the prescribed fees:

- registration of a union (association), foundation - 60 Lari;
- registration of a branch of the union (association), foundation registered in Georgia - 50 % of the fee established for

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- registration of the union (association), foundation;
 - registration of an international creative union - 60 Lari;
 - registration of a Georgian creative union - 50 Lari;
 - registration of a local creative union - 40 Lari;
 - registration of a branch of a foreign non-profit legal entity (regardless of its organizational and legal status) - 40 Lari;
 - registration of a political association of citizens - 500 Lari;
 - making amendments and/or supplements to the charter or statute of a foundation, union (association), its branch, creative union, branch of a foreign non-profit legal entity, political association of citizens - 25 % of the fee established for registration of the respective legal entity."
- Georgian courts of general jurisdiction shall carry out the following types of registration with the prescribed tariffs:
- a) enterprise registration:
- General partnership- 60 Lari;
 - Limited partnership - 80 Lari;
 - Limited liability company - 160 Lari;
 - Joint-stock company - 360 Lari;
 - Cooperative - 120 Lari;
 - registration of a branch of an enterprise - 50% of the fee established for registration of the respective type of enterprise;
 - making amendments or/and supplements to an enterprise charter or statute of its branch - 25 % of the fee established for registration of the respective type of enterprise;
 - registration of termination and liquidation of an enterprise - 25% of the fee established for its registration;
 - re-registration of an enterprise based on the amendments made to the Georgian legislation - 20 % of the fee established for its initial registration;
 - registration of changes of organizational and legal type of an enterprise - the fee established for registration of a legal person of the chosen organizational and legal status.";

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Further on, recently established legal entity of public law - the National Agency of Public Register of the Ministry of Justice of Georgia - shall carry out the registration of rights to immovable property as follows:

Initial registration of a land plot and related real estate that includes the land planning operations, preparation and issue of documents, registration certificates and cadastre maps as well as any other measures related to the initial registration, when performed through the state financing or at the expense of a target-oriented credits, grants and technical assistance, shall be carried out free of registration fee. No sum other than registration fee shall be paid upon registration of the land, real estate and the rights related thereto. In addition, following fees shall be payable for the following registration activities:

- a) registration of transfer of the rights to land and related real estate:
 - registration of the ownership, usufruct, right to build, hypothec, and lease to the land and related real estate, that includes preparation of cadastre maps, filing of registration cards, issue of registration certificates and other necessary registration measures provided by the Georgian legislation - 7 Lari;
 - registration of usufruct, servitude and limitation of registered rights to the land and related real estate that includes preparation of cadastre maps, filing of registration cards, issue of registration certificates and other necessary registration measures provided by the Georgian legislation - 7 Lari;
 - preparation of certified copies of the application, registration certificate and cadastre map at the written request of the authorized or concerned person - 0.5 Lari;
 - preparation of certified copy of the cadastre map at the written request of the authorized or concerned person - 2 Lari;
- b) registration of the service provided by the registry to the authorized or concerned person:

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- preparation and issue of the extract from the public register or registration certificate on the land and related real estate, making amendments in the extract from the public register or registration certificate on the land and related real estate, preparation of a small-scale map or cadastre map or agreement form for making the document related to registration of the land and related real estate and performance of other similar technical operations - 2 Lari;
 - preparation of information on the basis of study, analysis of the document available in the public register regarding the land plot and related real estate and its provision to the interested, third person - 7 Lari;
 - if acquisition of two or three spatially related land plots results in formation of one plot of land, registration of those plots as one, that includes making relevant notes in all registration cards or their cancellation and filing of a new registration card - 7 Lari;
 - if acquisition of four or more spatially related plots results in formation of one land plot,
- registration of those plots as one plot of land - 7 Lari plus 2 Lari per plot if number of land plots exceed three."
- Pursuant to the Law, until March 1, 2005 the Georgian courts of general jurisdiction shall carry registration of unions (associations) and their branches as per the fee rates (tariffs) determined under this Law.
- Territorial bodies of the Ministry of Justice of Georgia shall carry out registration of non-profit legal entities - unions and their branches from March 1, 2005.
- Finally, the Ministry of Justice of Georgia shall draft, till November 1, 2004, a bill on the fee established for the services provided by the National Agency of Public Register.

Mgaloblishvili, Kipiani, Dzidziguri (MKD) law firm was founded in November 1996. It operates as a general partnership and is recognized as well-established, respected leading law firm in Georgia with major national, regional and international clients.



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