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Tax & Law Brief
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Decree №249 of the Government of Georgia dated 1 June 2021 on Approval of the Rules and Procedures for the Investigation of Imposing Anti-Dumping Measures in Trade

The decree of the Government of Georgia, which determines the rules and procedures for investigation of imposing anti-dumping measures in trade, became effective from 1 June 2021.

Applicant authorized to apply for the investigation

- The following are authorized to submit an application for the investigation:
 - Local industry* that produces a product similar to the object of investigation;
 - Any individual/legal person or any entity without the status of a legal entity acting on behalf of the local industry.

Preliminary anti-dumping measure

- According to the decree, if it is clear before the investigation that the import is dumped and it harms the local industry or poses a possible harm, the Competition Agency will issue a decision on preliminary measure – to impose an anti-dumping tariff or collateral.
- The preliminary anti-dumping tariff shall be applied for a period not exceeding 4 months or, by the decision of the investigating authority (Competition Agency), based on the respective substantiated request, for maximum 6 months.

* According to the Law of Georgia on Introduction of Anti-Dumping Measures in Trade, local industry means all the manufacturers which produce a similar product in the customs territory of Georgia (except free industrial zones), or a group of similar product manufacturers which are the main contributors to the total share of local production.

Source: Legislative Herald of Georgia, 2 June 2021

Decree №251 of the Government of Georgia dated 1 June 2021 on the Rules for the Administration of Preliminary Anti-Dumping Measures and Special Anti-Dumping Tariffs

Administering body

The decree of the Government of Georgia determining the rules for the administration of preliminary anti-dumping measures and special anti-dumping tariffs became effective from 1st June 2021.

- According to the decree, the preliminary anti-dumping measure and special anti-dumping tariff are administered by the LEPL Revenue Service.
- When declaring import of the product on which a preliminary anti-dumping measure has been introduced, the declarant shall, in accordance with the decision of the Government of Georgia:
 - Transfer the relevant amount of the preliminary anti-dumping tariff to the account of the Ministry of Finance of Georgia;
 - In the form of collateral, place the relevant amount of the pre-assessed anti-dumping tariff on the deposit account of the Ministry of Finance of Georgia or submit a guarantee in the same amount.
- The types of guarantees to be provided in the form of a preliminary anti-dumping measure are:
 - Bank guarantee;
 - Financial risk insurance policy.

Types of guarantees

Source: Legislative Herald of Georgia, 2 June 2021

Decree №221 of the Government of Georgia dated 18 May 2021 on the Approval of the Rules of Forest Usage

On 19 May 2021, decree № 221 of Government of Georgia on the usage of forest became effective.

- The decree determines, among others, the following:
 - Types of forest usage;
 - Legal bases and rules for obtaining a special forest usage.
- According to the decree, the types of forest usage includes, among others, the following:
 - Usage of forest for special purpose;
 - Usage of forest for resort, recreational, sports and other cultural-recreational purposes;
 - Usage of forest for arranging plantation;
 - Usage of forest for scientific-research and educational purposes.

Types of forest usage

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Usage of forest for special purpose

- Usage of forest for special purpose is allowed, among others, for the following purposes:
 - For the implementation of projects of special state or public importance;
 - For construction / operation of water supply and sewerage infrastructure, hydro nodes, power plants, pipelines (including reconstruction, rehabilitation, dismantling);
 - For the infrastructure required for the usage of oil and gas resources and / or construction / operation of a gas reservoir in a natural reservoir;
 - For the construction / operation of roads, power communications, electronic networks and canals (including reconstruction, rehabilitation, dismantling) or for design and / or engineering-geological works required for it;
 - To explore and / or obtain entrails, etc.
- Usage of forest for scientific-research and educational purposes is allowed during conducting of scientific-research and educational activities, which are related to the use of forest resources and within the reasonable limits for the purposes of these activities, without any harm to the forest.

Source: Legislative Herald of Georgia, 2 June 2021

Decree № 222 of the Government of Georgia dated 18 May 2021 on the Approval of the Rules for the Submission of the Investment Plan and Issuing the Decision

On 19 May 2021, the decree of the Government of Georgia defining the rules for submitting an investment plan and issuing a decision became effective.

The purpose of the decree

- The purpose of the decree is to establish the investment plan submission and decision-making procedures for the cases provided by the organic law of Georgia on Agricultural Land Ownership.
- According to the decree, for its purposes, an investment plan is a document reflecting the use of agricultural land, which provides for the production of agricultural and / or other products, the introduction of innovative activities, arrangement of tourism infrastructure, projects of international, national and / or local importance. Investment in implementation, which will contribute to the socio-economic development of the state, national security, job creation.
- The process of reviewing and implementing the investment plan includes the following stages:

The process of reviewing and implementing the investment plan

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- Submitting an application regarding an investment plan;
- Determining the compliance of the application with the requirements of the legislation of Georgia and this rule;
- Discussing the investment plan;
- Making a decision on the investment plan;
- Concluding an agreement;
- Supervision of the implementation of the investment plan.

Source: Legislative Herald of Georgia, 2 June 2021

Draft law of Georgia on Entrepreneurs

On 28 May 2021, the Parliament of Georgia approved the draft law on Entrepreneurs for the first hearing. The draft law, among others, regulates following issues:

Director

- Issues related to the directors of legal entities:
 - Mandate agreement is concluded between the Limited Liability Company / Joint Stock Company / cooperative and the director. The provisions of labor law do not apply to the agreement.
 - The director is appointed to the position for a period not exceeding 3 years, with the right of reappointment, unless otherwise provided by the charter.
 - If after the expiration of the term no amendment is made at the Public Registry, the term of the registered director is deemed to be extended indefinitely.

Company name

- Company name of the entity:
 - Company name of the entity, other than an individual entrepreneur, must be different from the already registered entity.
 - The company name shall be changed if needed for distinguishing from the name of another entity.

Defective entity

- Under the law, if the registered data of the entity does not comply with the mandatory requirements of registration by the Law of Georgia on

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Entrepreneurs, the registry gives the entity the status of defective entity on its own initiative.

- Entity registered before the enactment of the law shall bring the registration data in compliance with the requirements of the law within 2 years from the date of entry into force of the law.

Source: Legislative Herald of Georgia, 2 June 2021



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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