

LAW OF GEORGIA
ON SECURITIES MARKET

The purpose of this Law is to develop the securities market in Georgia, to protect the interests of investors in the securities market, to ensure the transparency of issuers' information at the time of public offerings of securities, as well as to ensure the transparency of the public trading of securities and to establish fair rules and free competition in the public trading of securities.

Chapter I - General Provisions

Article 1 - Scope of the Law

1. Matters related to securities shall be regulated under this Law, the Civil Code of Georgia and other legislative acts of Georgia.
2. This Law does not apply to the rules for issuing or publicly offering government securities on behalf of the state of Georgia, and to the rules for securities trading by banks outside a stock exchange.
3. The rules for the disposal of state property are set out in the Law of Georgia on State Property.
4. This Law regulates relations associated with the public offering of securities and their circulation, and determines the rules of activities and responsibilities of stock exchanges, central depositories, securities registrars, brokerage companies, brokers and investment funds on the securities market, as well as additional requirements for the rules of the activities and responsibilities of those companies whose securities are publicly offered and sold.
5. The competences of the Financial Supervision Agency of Georgia ('the Agency') shall be defined under this Law and other legislative and subordinate acts.
6. Financial institutions (except for commercial banks) may, based on the powers granted by the relevant authorities of developed countries, carry out their activities in Georgia, in accordance with the legislation of Georgia, without additional authorisation.
7. The activities of stock exchanges and central depositories are based on a self-regulation principle, pursuant to which their activities are regulated by themselves in accordance with the legislation of Georgia.
8. State authorities and/or enterprises established with the participation of the state, where the ownership interest of the state is more than 50%, shall be prohibited from holding an ownership interest in financial institutions.

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 1944 of 3 November 2009 - LGH I, No 35, 19.11.2009, Art. 249

Law of Georgia No 3519 of 21 July 2010 - LGH I, No 48, 09.8.2010, Art. 320

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 2 - Definition of terms

The terms used herein have the following meanings for the purposes of this Law:

1. A reporting company - a company defined in Article 9(1) of this Law.
2. A material fact or event – a fact or event that may reasonably be considered important by an investor or a potential investor when deciding to buy or sell securities.
3. An auditor – a member of a professional organisation (a natural or legal person), who gives his/her/its opinion on a financial statement or a consolidated financial statement on the basis of an audit and/or an assurance on the basis of the procedures for reviewing financial statements. An audit firm may not be affiliated with, and shall be independent from, the person, as defined in paragraph 11 of this article, to whom it provides audit services.
4. A bank – a banking institution that is organised under the Law of Georgia on Entrepreneurs, and licensed under the Law of Georgia on the Activities of Commercial Banks.



5. A beneficial owner - a person who receives monetary or other benefits under the law or from transactions, and who has no obligation to transfer those benefits to a third person; if a beneficial owner is an entity established for ideal purposes, or if the owner is a legal person in which no person owns a significant interest, then the beneficial owner will be a member of its governing body.

5¹. A registered owner - a person, who is not a nominee holder of securities or a representative of a registered owner, and who meets any of the following requirements:

- a) is a registered owner of securities, except for a nominee holder;
- b) authorises a nominee holder to act on his/her behalf, on the basis of a written agreement;
- c) receives monetary profit as the owner of security;
- d) has the power to direct the voting of a security;
- e) has other rights under the legislation of Georgia to become a registered owner of a security.

6. A broker - a natural person who executes securities transactions on behalf of an employer brokerage company and/or conducts other related activities.

7. A newspaper - any newspaper or official publication, recognised as such by the Agency for the purposes of this Law.

8. (Deleted).

9. A sale - a contract for sale or any other disposition of securities.

10. A license - a license within the meaning of Article 3(a) of the Law of Georgia on Licenses and Permits.

11. A connected person:

- a) a relative of a natural person who falls under the category of the first or second heir, according to the Civil Code of Georgia ;
- b) an enterprise where a person directly or indirectly holds such an ownership interest as to allow him/her to actually influence the decisions of the enterprise;
- c) a member of the governing body of an enterprise, where a person directly or indirectly holds such an ownership interest as to allow him/her to actually influence the decisions of the enterprise;
- d) a legal person who is:
 - d.a) a member of the governing body and/or an authorised representative;
 - d.b) a partner or founder of a legal person who can actually influence the decisions of this legal person.

12. A prospectus - a written notice or a notice communicated by an electronic or printed medium, which is sent with the aim of offering for sale any security.

13. A preliminary prospectus - a prospectus that has been submitted to the Agency, but has not yet been approved by the Agency.

14. An approved prospectus - a prospectus approved by the Agency.

15. A final prospectus - a prospectus approved by the Agency that contains the number of the securities to be offered, and information on the contracts which offer securities if a brokerage company (companies) agrees to sell securities on behalf of the issuer and/or holder of the securities.

16. An issuer - a person who issues securities in the manner laid down by the legislation.

17. (Deleted).

18. Legislation on securities - this Law, and other laws and subordinate acts regulating the securities market, compliance with which is monitored by the Agency within its competence.

19. (Deleted).

19¹. The Agency - a body established under the Organic Law of Georgia on the National Bank of Georgia and which is responsible for supervising the financial sector.

20. Control (substantial interest, significant purchase) - a situation where a person or a group of related persons hold more than 10% of the voting rights in an enterprise or are otherwise able to control such an enterprise;

21. Secondary public trading - the sale or purchase of securities that:

- a) is not conducted on behalf of the issuer or is not the part of a public offer under Articles 3, 4, 5, 6, 7, 8 of this Law;
- b) is open for participation, directly or through a representative, to more than 100 persons or to an unspecified group of persons.

22. A governing body - directors and/or a supervisory council elected or appointed in the prescribed manner.



23. A person - a legal or natural person.
24. A registered holder - an owner or a nominee holder of securities who is registered with the securities register.
25. An advertisement – the publication of a statement in any possible form, including by displaying notices, signs, labels, business cards, letters, catalogues, price lists, or by exhibiting pictures and photos, presenting films, broadcasting via audio and television programmes, or through computer networks, or by disseminating different recordings, or by any similar means.
26. A brokerage company - a legal person that has a license for brokerage activity.
27. A business year - the period from 1 January to 31 December of each year.
28. A government security - any security issued by the Government of Georgia.
29. A stock exchange - an organised securities market that ensures the collection of offers to buy and sell securities or other financial instruments, and the organisation of trade in accordance with established rules and procedures, and disseminates information on completed transactions and other information on prices.
30. (Deleted).
31. A gross violation of securities market legislation - a violation that is not of a technical nature and constitutes an intentional disregard of the laws on securities or of the requirements of the rules of a stock exchange or a depository.
32. A security (securities) - transferable financial instruments and rights that may be publicly offered in the form of equity securities or debt securities (or their combination) or that may be converted into such securities, or that carry the right to subscribe or to purchase such securities, and investment contracts and other instruments and rights related to securities. The following instruments shall not be considered as securities and are not regulated under this Law:
- a) bank obligations, related to deposits or other fixed-term financing, which arise from services directly provided to clients, without any intermediary, and which are not publicly circulated;
 - b) any insurance policy or annuity contract issued by a legal person operating under insurance legislation;
 - c) a cheque (regulated under the Law of Georgia on Cheques);
 - c¹) a bill of exchange (regulated under the Law of Georgia on Bills of Exchange);
 - d) contracts and financial instruments, classified as exceptions under the rules of the Agency, which are regulated under this Law or other laws.
33. A dematerialised security - a security that is not available in paper form, but exists in the form of a record in the securities register or in the records of nominee holders in the name of the registered owner or the nominee holder.
34. An investment contract - a contract under which an investor grants to a third party money or other property rights to invest in an economic activity, in order to generate possible income.
35. A debt security - a security that confirms the right to receive a specified principal amount, with or without interest; debt securities include government securities, unless otherwise provided for by the relevant normative act.
36. Publicly traded securities - a class of securities offered by way of public offering and/or admitted for trading on a stock exchange;
37. Emission of securities (issuance) - the procedure for offering securities by an issuer.
38. A class of securities - all securities of an issuer that confirm identical rights and obligations.
39. An equity security - a security confirming the ownership interest of the owner in an enterprise.
40. A securities market participant - an investor, an issuer, a regulated securities market participant and an auditor.
41. Regulated Securities Market Participant - a stock exchange, a central depository, a securities registrar, a publicly accountable enterprise and a securities market intermediary.
42. A securities market intermediary - a brokerage company or other intermediary, whose activities are supervised by the Agency under its own rules.
43. A nominee holder of securities - a legal person that is a securities market intermediary, a bank or a central depository, authorised under a written agreement by a registered owner (or other nominee holder) of securities to enter the securities in the register in the nominee's name and engage in other transactions related to the securities on behalf of the registered owner or nominee holder.
44. A securities registrar - a legal person licensed by the Agency, who maintains a securities register of an issuer and performs other functions under an agreement entered into between the issuer and the securities registrar.
45. A securities register - a register maintained by an issuer or the securities registrar and indicating the number and class of securities and other related information provided for by legislation.
46. A contract which offers securities - an agreement entered into between the issuer publicly offering securities and one or several brokerage companies, under which the brokerage company (companies) undertakes to distribute the securities on a guaranteed or non-guaranteed basis, in accordance with the procedure established by the Agency:



a) the guaranteed-basis related to the contract which offers securities means that the brokerage company (companies) purchases 100% of the issued securities from the issuer with the guarantee to hold them on its books or to sell them in the future;

b) the non-guaranteed basis related to the contract which offers securities means that the brokerage company (companies) conditionally purchases 100% of the issued securities from the issuer without the guarantee to keep them on its book or to sell them in the future.

47. An offer - any attempt to sell, or dispose of for consideration, a security or the ownership right to a security that has been issued or is to be issued. An offer shall not include a proposal to or by a brokerage company to participate in an agreement offering securities or an ownership right in securities.

48. An offering application - an application submitted to the Agency under Article 4(2) of this Law, which includes any amendments to it and any prospectus, report or document filed as a part of the application or incorporated in the application by reference.

49. A record - any information, presented in the form of a report, correspondence, magnetic tapes and computer discs or other form, which can be read by ordinary or technical means.

50. A central depository (depository) - a legal person licensed by the Agency who is authorised to provide central clearance and settlement of securities under the instructions of a registered owner or a nominee holder, as well as to perform other services specified under the regulations of the central depository and the Agency.

50¹. A member - a customer of a stock exchange or of a central depository that is recognised as a member of a stock exchange or central depository in accordance with the rules of the stock exchange and the central depository.

51. Written form - printed, lithographic or any graphic form of communication.

52. (Deleted - 10.4.2012, No 6022).

53. Developed countries - countries entered on the list of developed countries determined by the National Bank of Georgia.

54. A financial institution - a legal person engaged in the provision of financial services and acting as a commercial bank, insurance organisation, reinsurance company, investment bank, stock exchange, central depository, brokerage company, microfinancing organisation, credit union, investment fund and/or any other organisation conducting financial services. The Agency may expand and clarify the list of financial institutions.

55. An investment fund - a legal person or a collective investment scheme created to accumulate and distribute the funds of investors.

56. A collective investment scheme - funds transferred for management to financial institutions for investment purposes.

57. A sophisticated (experienced) investor - a person who has sufficient experience, property or income to sustain the financial losses caused by investment activities. A sophisticated (experienced) investor is a high net worth individual, a financial institution, a director of a financial institution, or a legal person, whose capital is more than GEL 1 million, or any other person recognised as such by the Agency.

58. A high net worth individual - a person, whose proven property is more than GEL 3 million or whose annual income is more than GEL 200 000 for the previous three years.

59. An investment fund of sophisticated (experienced) investors - a financial institution or a collective investment scheme established under this Law. Only sophisticated (experienced) investors can become members of such funds.

60. A manager of an investment fund - a person or a group of persons who manage an investment fund.

61. The free float rate of securities - the portion of any class of securities issued and distributed by the issuer, which does not belong to any of the following categories:

a) a 5% or larger securities package of this class held in registered ownership by a person (including the issuer), except for a securities package held in registered ownership by a global depository for issuing depository receipts;

b) securities in registered ownership of the state or of local self-government bodies and legal entities under public law;

c) securities in registered ownership of the members of the governing body of the issuer and its employees.

62. A recognised foreign stock exchange - a stock exchange entered on the list of stock exchanges recognised by the Agency, the regulations of which are in compliance with international standards and practices. Reputable stock exchanges operating in developed countries are classified as such stock exchanges as a minimum.

63. A quotation - a determination by a stock exchange of the price and/or price interval for a certain date, calculated on the basis of effected transactions and/or submitted trading applications in accordance with the methodology approved by the stock exchange.

64. A consolidated financial statement - a financial statement that contains financial statements of both a parent company and its subsidiary(ies).

65. A subsidiary (subsidiary organisation) - a legal person in which a regulated securities market participant holds 50% or more of the ownership interest (voting shares, interest), or in the case of an entity without a legal status, in which a regulated securities market participant controls it.

66. A branch - a structural unit of a regulated securities market participant, where the activities or part of the activities stipulated by the charter of the regulated securities market participant are conducted.

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

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Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 1925 of 3 November 2009 - LGH I, No 35, 19.11.2009, Art. 235

Law of Georgia No 2831 of 23 March 2010 - LGH I, No 19, 13.4.2010, Art. 105

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 6022 of 10 April 2012 – website, 30.4.2012

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Chapter II - Public offering of securities

Article 3 - Concept of the public offering of securities

1. A public offering of securities is an offer, made on behalf of the issuer, to sell securities directly or indirectly to at least 100 persons or to an unspecified numbers of persons. A public offering is also a similar offering related to the securities of a non-publicly accountable enterprise that is made on behalf of a person other than the issuer. Any person may make a public offering if he/she submits to the Agency relevant information (documents) signed by him/her and the basic information on his/her identity as required under this Law. In that case the Agency may establish a different procedure for the public offering of securities.
2. An issuer shall have the right to enter into a contract which offers securities with a brokerage company for the distribution of securities.
3. The holder of the securities of the issuer who makes a public offering under Article 5 of this Law shall have the right to propose to the issuer to include, in the established manner, the securities held by it in the public offering.
4. A public offering by non-governmental issuers, including by self-governance bodies, shall be made in accordance with this Law.
5. The procedures for a public offering and the alienation of investment fund securities shall be established under this this Law, unless otherwise provided for in the legislation of Georgia on securities.
6. An offer and a sale of securities only to sophisticated investors shall not be deemed a public offering.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 4 - Requirements for a prospectus

1. A public offering shall be made only upon or after the publication of a prospectus prepared by the issuer and approved by the Agency in accordance with this Law and the procedures established by the Agency.
2. An issuer shall apply to the Agency for the approval of a prospectus of the securities intended for public offering and shall submit the following documents, which shall be considered as the public offering application:
 - a) an application prepared in accordance with the procedure prescribed by the Agency;
 - b) three copies of a preliminary prospectus, signed by the chairperson and authorised representative of the issuer's supervisory council where the issuer is a company; and in the case of other issuers, signed by persons responsible, under the law, for the management of the issuer (responsible persons). A preliminary prospectus shall include:
 - b.a) information on the issuer, in particular its name (title), address and the date of establishment, the quantity and class of distributed securities (if any); names of each holder that controls the issuer; if the issuer is a company, the names of the members of its governing body, or, where necessary, the name of the securities registrar selected by the issuer, as well as information on any possible conflict of interest related to the above persons;
 - b.b) a description of the activities of the issuer for the previous two years and the main risks associated with such activities. If the issuer has conducted activities for less than 2 years, it shall submit the information specified in this paragraph for the period starting from its establishment up to the submission of the application;



b.c) individual financial statements certified by an auditor, and consolidated financial statements (if any) for the previous two business years. If the issuer has conducted activities for less than 2 years, it shall submit the information specified in this paragraph for the period starting from its establishment up to the submission of the application;

b.d) information on securities to be issued, in particular:

b.d.a) information on the class and indicative amount of securities to be issued;

b.d.b) details of the signature procedures, or if a brokerage company has signed a securities offering contract and agreed to purchase a portion of the entire issue of securities, the approximate details of such transaction;

b.d.c) information on whether any securities are being offered on behalf of security holders, and, if so, their names and the number of securities offered by each of them;

b.d.d) methods for calculating interest on debt securities if the securities are interest bearing, and the validity date of the securities and the terms for any allowed forms of coverage;

b.d.e) information on the proposed use of proceeds from the offering.

3. The Agency may establish simplified requirements on the submission of information, on the classes of securities issued and to be issued, on the class of an issuer, in accordance with the validity of securities.

4. If the issuer is a reporting company and has submitted all required statements for the last two years, the Agency is entitled, in accordance with its regulations, not to require the submission of the entire prospectus or require the submission of part of the information necessary for the prospectus.

5. If the information necessary for a prospectus has already been submitted to the Agency, it may be included in the prospectus in the form of a reference in accordance with Article 11(8) of this Law.

6. If the securities of an issuer are admitted to at least one of the foreign recognised stock exchanges, such issuer may issue securities in Georgia in accordance with the stock exchange rules, without additional regulation. In that case, the issuer shall notify the Agency of the issuance of securities, and the Agency, if necessary, shall assign a national identification number to the securities.

7. The Agency shall review the offering application within 15 days upon its submission and if:

a) the Agency considers that the preliminary prospectus does not comply with this Law or the procedure established by the Agency, it shall send a written reply to the issuer requesting additional information necessary for the interpretation and clarification of the submitted information, and/or documents necessary for the verification of the accuracy of the information presented in the preliminary prospectus. The issuer may submit amendments to the offering application after rectifying the above deficiencies and the application will be considered again;

b) the Agency approves the prospectus, it shall, upon the request of the issuer, give a written consent on the approval of the prospectus;

c) the Agency considers that the submitted information does not comply with this Law or the procedure established by the Agency, or the issuer refuses to submit the documents, data and clarifications referred to in this article, the Agency may issue a written refusal to approve the prospectus;

d) the issuer has not been informed in writing in accordance with sub-paragraphs (a), (b) and (c) of this paragraph, the prospectus shall be deemed approved after the expiry of 15 days.

8. Current financial information provided in the final prospectus may not be older than 18 months. Descriptions provided in the text shall correspond to the latest possible date.

9. Within 10 days or more, as determined by the procedure established by the Agency, from the day when the prospectus is deemed to be approved, the issuer shall submit to the Agency three copies of the final prospectus, the first page of which shall contain the number of offered securities, and when brokerage companies sell securities on behalf of the securities issuer and/or securities holders, it shall contain the terms and conditions of the contract which offers securities. The final prospectus shall be used for the public sale of publicly offered securities, in accordance with paragraph 12 of this article.

10. The submission of a final prospectus to the Agency shall not be treated as an amendment made under paragraph 7(a) of this article.

11. The approval of the prospectus by the Agency confirms that the information submitted by the issuer complies with this Law and the procedure established by the Agency, but does not confirm the accuracy of the submitted information. In addition, the Agency's approval shall not be considered as a recommendation of the Agency. Each preliminary, approved and final prospectus shall clearly display the following words on its front page: 'The approval of the prospectus by the Agency relates to its form and may not be considered as an opinion on the accuracy of its contents or on the value of the investments described therein'.

12. Except for the cases provided for in paragraph 13 of this article, liability for misstating or withholding a material fact or for presenting misleading information in the final prospectus may be imposed on the following persons:

a) the issuer, authorised representative and chairperson of the supervisory board, who have signed the prospectus jointly and severally;

b) any brokerage company and broker acting on behalf of the issuer under the contract which offers securities ;

c) any auditor or other person who has agreed to be named as one of the authors of the prospectus, in the case of misstatement or omission of a material event in the part of the prospectus prepared by him/her.

13. No one other than the issuer shall be liable under paragraph 12 of this article if the prospectus indicates, or if he/she can prove that:

a) before the final prospectus becomes effective, he/she resigned or terminated any relationships described in the final prospectus as related to his/her



activity or as having agreed to this activity, and he/she has provided prior written notification of this fact to the Agency and the issuer;

b) the given part of the final prospectus became effective without his/her knowledge, and upon becoming aware of this fact he/she immediately notified the Agency in accordance with sub-paragraph (a) of this paragraph and published a written statement in a newspaper that the given part of the final prospectus has become effective;

c) after conducting appropriate investigations related to a certain part of the final prospectus, he/she had reasonable grounds for believing and did believe that the statements contained in the prospectus were true at the time when the final prospectus became effective, or that the given part of the final prospectus does not represent accurately the statement made by him/her or is not a true copy or part of the report prepared by him/her.

14. Under paragraph 3 of this article, any agreement that limits the liability of persons specified in this article (except as provided for on the cover of the prospectus) shall be considered invalid if the shareholder suffered loss due to the misstatement or omission of a material fact in the prospectus. In accordance with Article 5(2) and (3) of this Law, the issuer shall be liable to persons purchasing the securities sold in the public offering for losses arising from the purchase of these securities and from the misstatement or omission of a material fact in the approved or final prospectus. Other persons referred to in paragraph 12 (a) – (c) of this article shall similarly be liable to the buyers for such losses if they are held liable under paragraph 12 of this article. The sale of the securities offered in violation of the requirements under paragraph 1 of this article or Article 5(1) of this Law may be revoked at the request of the purchaser, and shall be subject to such procedural and time restrictions as prescribed by the procedure established by the Agency.

15. The Agency shall register the securities on the basis of the final prospectus and assign a national identification number in accordance with its own procedures.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 5 - Offering procedures

1. The final prospectus shall be provided to investors prior to, at the moment of or during the sale.

2. If, during a public offering, it becomes necessary to change any material fact, in particular the number of securities offered in the prospectus, or the closing date for the offering or any other material fact, the issuer shall:

a) submit to the Agency the amendments to the offering application, explaining all changes made to it;

b) publish a notice in a newspaper or in other media prescribed by the procedure established by the Agency, announcing the cancellation of the offering in its current form and making an offer to cancel all agreements on the sale of securities entered into before the specified date, without any price reduction, in accordance with paragraph 3 of this article.

3. If amendments are made to the prospectus with respect to certain material facts in accordance with paragraph 2 of this article, the subscribers may renounce the purchase of securities and the issuer shall return the paid sum to them without making any deductions, within ten days after the refusal of the subscribers. Subscribers who decide not to renounce their purchase of securities shall be subject to the new terms of the offering.

4. If after the commencement of a public offering the Agency becomes aware that a certain material fact has been misstated or omitted in the prospectus approved by the Agency, the Agency may request the issuer to comply with the procedures set out in paragraphs 2 and 3 of this article.

5. If any other information indicated in the prospectus approved by the Agency changes during a public offering, the issuer shall submit to the Agency a copy of the document containing the new information (change) before making such changes in the prospectus in accordance with the procedure prescribed by the Agency.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

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Article 6 - Publicity of public offering before the approval of the prospectus by the Agency

1. A prospectus may not be distributed prior to its approval by the Agency.

2. Prior to the approval of a prospectus, the issuer or a brokerage company acting on behalf of the issuer may not make any offer to sell the securities or accept the consent of any other person on the purchase of the securities.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30



Article 7 - Suspension and revocation of the approved prospectus

1. If the issuer or a brokerage company acting on its behalf fails to comply with the requirements of Articles 4 to 6 of this Law, or if the issuance prospectus contains material misstatements or omissions, the Agency may suspend the prospectus and set a time limit for the correction of such deficiencies. If the deficiencies are not rectified within the set period, the Agency may revoke the prospectus.
2. If the Agency suspends or revokes an approved prospectus, securities may not be publicly offered and purchasers shall have the right to renounce their purchases in accordance with Article 4(14) of this Law.

Article 8 - Securities issuance and distribution report

1. Within one month after the completion of a public securities offering, the issuer shall submit to the Agency a report on the issuance and distribution of securities, which contains information on the exact number and price of offered and sold securities. The issuer shall submit a report on the actually distributed securities if the securities are not distributed fully.
2. The Agency shall review the report within 14 calendar days from the submission of the report. The Agency may request the clarification and/or amendment of the submitted information, which shall be prepared and submitted by the issuer.
3. If the issuer of publicly held securities is not a company, it shall submit to the Agency and distribute to registered holders annual, semi-annual and current financial reports and reports containing other information.

Chapter III - Issuers of publicly held securities

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Article 9 - Concept of a reporting company

1. A reporting company (issuer of publicly held securities) is a legal person established under the Law of Georgia on Entrepreneurs, which has issued publicly held securities (except for covered bonds).
2. The Agency shall have the right to adopt the procedure determining persons by whom securities are 'held of record'.
3. The Agency shall establish the procedure under which certain types of reporting companies are released from the performance of the requirements set out in Articles 11(1), 14 and 15, if, considering the company's own capital and number of securities holders, the cost to be incurred by preparing appropriate reports is not proportionate to the public interest protected under these Articles.



Article 9¹ – Audit committee

An audit committee shall be established within the supervisory board of a reporting company, which shall control the authenticity of financial statements of an issuer, ensure the efficiency of internal control system and the independence of an internal audit (if applicable), and shall collaborate with external auditors. A member of the supervisory board of the reporting company as well as other person (including an employee of the company) may be a member of the audit committee; herewith, at least one member of the audit committee shall be the member of the supervisory board of the reporting company, an independent person defined by Article 55(2²) of the Law of Georgia on Entrepreneurs.

2. The first paragraph of this article shall not apply to commercial banks the activities of which are regulated under the Law of Georgia on Commercial Banks.

Article 10 - Publicly held securities and maintaining a register of publicly held securities

1. A publicly held security shall be issued in a dematerialised form. A publicly held security issued in a materialised form is subject to dematerialisation.

2. The Agency may adopt an appropriate procedure for maintaining a securities register. A securities registrar and an issuer, who is entitled to maintain its own securities register, shall act in accordance with this procedure.

3. An issuer that is a reporting company, shall, within 60 days after its recognition as a reporting company, select a securities registrar, enter into a written agreement with the securities registrar and, not later than 15 days after signing the agreement, transfer to it the securities register and/or all documents necessary for maintaining this register.

4. If an issuer that is obliged to transfer a securities register to an independent securities registrar fails to select the securities registrar within the time limit set under the legislation of Georgia, the Agency shall assign a securities registrar to the issuer in accordance with the procedure established by the Agency.

5. In the case specified in paragraph 3 of this article, the issuer shall notify the Agency of the selection of the securities registrar and of entry into agreement with it. The notification shall contain the following information:

- a) the name (title) and legal address of the issuer;
- b) the identity of the securities registrar;
- c) the dates of the signature of the agreement and of its entry into force;
- d) all classes of securities issued by the issuer, the number of securities under each class;
- e) the names, family names and positions of every member of the governing body of the issuer, and if the issuer is not a company, the names, family names and positions of the officials of its executive body;
- f) the name of the registration body, registration date and identification code.

6. An issuer shall notify the Agency, the securities registrar and the stock exchange where his/her securities are traded, of any changes to the information specified in paragraph 5 of this article, within 7 days after making the change.

7. If securities are admitted to trading on a stock exchange, the securities registrar shall, in the case of any changes to the data specified in paragraph 5(d) of this article:

- a) not later than 5 days before making changes to the securities register, notify the Agency, the stock exchange where the relevant securities are admitted to trading, and the central depository (depository) of this stock exchange (indicating the legal grounds and date);
- b) confirm the changes in writing to the stock exchange specified in sub-paragraph (a) of this paragraph and its central depository (depository) before the end of the day of changes, and notify the nominee holder of the relevant securities of this change within 3 days.

8. A stock exchange specified in paragraph 7 of this article and its central depository are obliged to suspend transactions related to securities from the date indicated in the notification referred to in sub-paragraph (a) of paragraph 7 of this article up to the receipt of confirmation specified in sub-paragraph (b) of the same paragraph.

9. If an issuer that is obliged to maintain a securities register through the securities registrar cancels the agreement with the securities registrar for certain reasons it shall select a new securities registrar and enter into an agreement with him/her not later than the day of the cancellation of the previous agreement. The issuer shall perform all obligations under the agreement by the day of the cancellation of the agreement. In that case, the securities registrar shall transfer the securities register and relevant documentation to the issuer or to a new securities registrar selected by the issuer in accordance with the procedure prescribed by the Agency. In the case of violation of these requirements the procedure set out by paragraph 4 of this article shall apply.

10. One issuer may have only one securities registrar.



Law of Georgia No 2075 of 9 June 1999 - LGH I, No 24(31), 26.5.1999, Art. 111

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 6022 of 10 April 2012 – website, 30.4.2012

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 11 - Periodic reporting requirements

1. Reporting companies shall prepare and submit to the Agency, or publish or distribute to registered owners of securities:

- a) an annual report;
- b) a semi-annual report;
- c) a current report.

2. An annual report shall be prepared for each business year. It shall include information on the issuer, its activities, the members of its governing body and persons who hold or control a significant number of voting shares at the general meeting; information on schedules of proceeds received from the company by directors of the reporting company; financial statements certified by an auditor, and other information in the form determined by the Agency. Annual reports shall be prepared from the first business year after the company becomes a reporting company. A reporting company shall file the annual report with the Agency after the end of each business year, not later than 15 May. A company that became a reporting company during the business year shall also file an annual report within the period prescribed by this paragraph.

3. A semi-annual report shall be prepared for the first six months of the business year (current as of 30 June). A semi-annual report shall be filed with the Agency not later than 15 August of the current year. A company that became a reporting company during the first 6 months of the business year shall also file the semi-annual report (for the first 6 months of the business year) within the period prescribed by this paragraph. A semi-annual report shall include the financial statements of the reporting company, information on the material events that occurred during the reporting period, other information presented in the form determined by the Agency.

4. A current report shall be filed with regard to any material event defined by the Agency and that occurs after a company becomes a reporting company. A current report shall be filed within 15 days after the occurrence of the event described in the report. The form of the current report and the information contained therein shall conform to the procedure prescribed by the Agency.

5. The Agency may determine the form of the report to be filed under this article and the procedure for its filing.

6. If the publicly held securities of a company are traded on a stock exchange, the company shall submit reports specified in this article to the Agency and to the stock exchange at the same time.

7. The Agency may, at any time, request additional information on the company or on a report to be filed under this article. The information may be requested to verify the openness of the reported information, to clarify a record or to obtain further information related to the report. The Agency may request that an amendment be made to the additionally filed document to reflect the information contained in this document.

8. Information under this article may be incorporated by reference from any document already filed with the Agency, unless otherwise provided for in the procedure established by the Agency. The source, page number, paragraph or other characteristics of the incorporated information shall be clearly indicated. The information shall be filed directly if it is not easily accessible.

9. A financial statement filed pursuant to this article shall be signed by the authorised representatives of the company and the chairperson of the supervisory board of the company. These persons shall be responsible for the accuracy and completeness of the material information entered into the report.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Law of Georgia No 4792 of 19 February 2016 – website, 7.3. 2016



Article 11¹ – Reporting requirements on proceeds of directors

A shareholder or a group of shareholders holding 5% or more than 5% of the reporting company's shares may receive information with regard to salaries and other proceeds received from the company by directors or members of the board of directors and members of the supervisory board of the reporting company.

Law of Georgia No 4792 of 19 February 2016 – website, 7.3. 2016

Article 12 - Disclosure of information on securities owned by members of the governing body of a reporting company

1. Members of the governing body of a reporting company shall submit to the Agency a report on the percentage of those securities of which he/she is a registered and/or beneficial owner.

2. If the securities of a reporting company are traded on a stock exchange, the report shall also be submitted to the stock exchange.

3. The report shall be filed within 10 days after:

- a) the company becomes a reporting company;
- b) the person becomes a member of the governing body;
- c) the person purchases the securities of such company.

4. The form and content of the report referred to in paragraph 1 of this article shall be determined in accordance with the procedure established by the Agency.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 13 - Confidential information on reporting companies

1. A reporting company is authorised not to include in the reports filed with the Agency information that is deemed confidential under paragraph 2 of this article. The Agency may, in accordance with this Law and its own procedures, require that the reporting company disclose information that it has deemed confidential and that is not limited to trade secrets, or strategic commercial or financial information prepared by specialists within or outside the company.

2. A reporting company shall separately submit to the Agency a report, which is marked confidential, and which in addition to the main report, contains confidential information. The Agency shall protect the confidentiality of the submitted information. The Agency may decide on the confidentiality of the submitted information in accordance with its own rules within one week after the receipt of the special report. In addition, if:

- a) the Agency considers, in accordance with its own rules, that the information has been improperly removed from the submitted report, the reporting company may request the Agency in writing to reconsider its decision based on additional factors. Within 15 days after the receipt of such written request, the Agency shall reconsider its final decision. The Agency may reconsider its decision only once;
- b) the Agency makes a final decision that the information was improperly removed from the submitted report, the reporting company that submitted the documents shall submit amended documents containing the removed information.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 14 - Publicity of a substantial acquisition of securities of a reporting company

1. A person or a group of persons shall, in the manner prescribed by the Agency, inform the Agency, the issuer and the stock change where securities are traded, of a substantial acquisition of securities.

2. A notification of a substantial acquisition of securities shall be submitted to the Agency within 15 days after the acquisition unless a shorter period is prescribed by the procedure established by the Agency.



3. Persons shall be deemed to be a group if they have agreed:

- a) on a common policy of acquiring, holding or disposing of the publicly traded securities of a reporting company;
- b) on the exercise of any ownership rights related to these securities, including voting rights.

4. Such agreement shall be deemed to be in place without a written confirmation between members of the governing body of a reporting company.

5. A group of persons shall be liable to the Agency for the fulfilment of obligations established under this Law and the procedure established by the Agency.

6. If the Agency or the relevant stock exchange discovers that the person or group of persons has failed to notify the Agency, the issuer or the relevant stock exchange of a significant acquisition of securities, the Agency may, at the nearest meeting of partners, suspend the voting rights of the person or group of persons with respect to more than 10% of shares of the reporting company owned by it .

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 15 - Tender Offer

1. A person who intends to acquire such a portion of the securities of a reporting company as may lead to the control of that company, may do so by a tender offer, which means making a statement on the accelerated acquisition of the company's securities for gaining control over the company, except as otherwise provided for by the procedure established by the Agency.

2. An offerer may not make a tender offer for any class of publicly held securities if after the acquisition he/she becomes the registered owner of more than 10% of the securities of such class, unless:

a) the offerer submits an application to the Agency, in the form and with the information prescribed by the Agency, before the first publication of the copies of the offer or of the request or before their transmission to securities holders;

b) the offerer publishes the information on the offer in a newspaper in accordance with the procedure established by the Agency.

3. Any proposal or recommendation made to security holders concerning the acceptance or rejection of a tender offer, as well as an invitation to tender, shall be made in accordance with the procedure established by the Agency.

4. The conditions of the tender offer and the information provided by the offerer shall be the same for all owners of the relevant securities.

5. If an offerer obtains consent to sell more securities than indicated in the tender offer, he/she shall purchase securities on the basis of proportionate allocation. This requirement shall also apply to the consents received after the first publication of a notice of an increase in the sum offered to security holders in accordance with Article 15(6) of this Law.

6. If a person changes the terms of a tender offer before the expiration of the offer by increasing the sum offered to security holders, he/she shall pay the increased sum to each security holder who has accepted the terms of the offer, irrespective of whether or not this change was made before or after its publication.

7. During the tender offer, a person making an offer or related persons may not:

a) purchase or negotiate the purchase of securities included in the tender offer, or securities which can be converted into such securities, by any means other than the tender offer;

b) sell any securities of the issuer specified in the tender offer.

8. The Agency may set other requirements for the preparation and execution of a tender offer, for the conduct of the offerers, or requirements with respect to offerers concerning the provision of information to securities holders of the target company by a securities registrar.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 16 - Responsibilities of members of the governing body of a reporting company



1. The members of the governing body of a reporting company, at the time of exercising their rights and duties, shall:

- a) act in good faith;
- b) act with the care that a reasonably prudent person would exercise in a similar position and under similar circumstances;
- c) act with the belief that their actions are in the best interest of the company and its security holders.

2. Except as provided for in Article 4 (13) of this Law, and paragraph 3 of this article and in other cases specified in the legislation of Georgia, the members of the governing body of a reporting company who have supported a decision that resulted in the non-performance of the duties under this article shall be jointly and severally liable for the loss caused to the company.

3. When determining the grounds and extent of the liability of a member of the governing body of a reporting company, account shall be taken of the fact that such member may rely on opinions and reports (including financial statements and data) if they are prepared by an auditor, legal counsel, company employee or other person whom this member reasonably believes to be a professional in the given matter because this matter falls within their competence. However, a member shall not be considered to be acting in good faith if he/she has, or should have had, such information that makes reliance on the above persons unjustified.

4. A security holder of a reporting company has the right to file a claim against a member of the governing body of this company for violations of the duties specified in this article.

5. The Agency representative may attend the general meeting of the shareholders (partners) of a reporting company in the capacity of an observer to take appropriate measures in the case of a gross violation of the legislation of Georgia during the meeting.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 8.8.2003, Art. 156

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 16¹ - Conflict of interest and information disclosure

1. Transactions to be executed by a reporting company shall be conducted in accordance with the requirements of this article if the interested person is a member of the governing body of a reporting company or a shareholder possessing, directly or indirectly, 20% or more of the total number of votes. The requirements of this article, except for the requirements of paragraph 7, shall not apply to transactions conducted between a reporting company and its 100% subsidiary or 100% shareholder.

2. A member of the governing body of a reporting company or a shareholder holding 20% or more of the total number of votes shall be deemed an interested person if he/she or persons related to him/her, in the case of the entry into a transaction by this reporting company or its subsidiary (a company in which this reporting company holds more than 50% of shares), meets one of the following conditions:

- a) is the other party to the transaction;
- b) directly or indirectly holds 20% or more of the total number of votes of the other party to the transaction;
- c) is a member of the governing body of the other party to the transaction;
- d) is appointed/elected as a member of the governing body of this reporting company upon the proposal of the other party to the transaction or of the holder (holders) of 20% or more of the total number of votes of the other party to the transaction;
- e) receives monetary or other benefit on the basis of the transaction, which is not related to the ownership of shares in this reporting company or to membership of the governing body.
- f) is considered an interested person under the charter of this reporting company.

3. An interested person defined under paragraph 2 of this article shall promptly notify in writing the supervisory board of the reporting company about his/her interest in the transaction, and about the nature and volume of the transaction, and where the transaction is approved by the general meeting in accordance with paragraphs 5 and 6 of this article, shall also notify the general meeting.

4. If a person was not aware that he/she was an interested person in the intended transaction as defined by paragraph 2 of this article, he/she shall be obliged to fulfil the requirement specified by paragraph 3 of this article immediately after he/she becomes aware that he/she is an interested person.

4¹. A member of the governing body of a reporting company shall, upon becoming aware of a conflict of interest in the intended transaction, notify the supervisory board of the reporting company, and where the transaction is approved by the general meeting in accordance with paragraphs 5 and 6 of this article, shall also notify the general meeting.

5. The interested persons defined by paragraph 2 of this article may not use their voting rights in all the relevant bodies of the corporation with respect to the transactions in which they have an interest. In that case, the remaining votes shall be deemed as the total number of votes, and all decision making procedures shall be conducted in accordance with the Law of Georgia on Entrepreneurs, except as otherwise provided for by the charter of the corporation.



6. A transaction conducted by the interested persons specified under paragraph 2 of this article, or the cost of which is equal to 10% or more of the reporting company's assets, or to a lesser amount stipulated under its charter, shall be approved by the supervisory board or the general meeting of the company; and if the cost of the transaction is equal to more than 50% of the reporting company's assets, the transaction shall be approved by the general meeting in accordance with the requirements under paragraph 5 of this article.

6¹. A transaction conducted by the interested persons specified under paragraph 2 of this article and the cost of which is equal to 10% or more of the reporting company's assets, or to a lesser amount stipulated under its charter, shall be approved by the general meeting in accordance with paragraph 5 of this article.

7. A reporting company shall promptly notify the Agency of the approval of a transaction conducted by interested persons. The notification shall specify the volume and type of the transaction, as well as other basic terms and conditions. The reporting company shall ensure the publication of the information specified in this paragraph on its own website or on the website of the stock exchange, or through the mass media specified by the Agency, within five days after notifying the Agency. The information on such transactions and on transactions entered into between a reporting company and its 100% subsidiary or 100% shareholder, the cost of which is equal to 10% or more of the reporting company's assets, or to a lesser amount stipulated under the charter, shall be entered into the current and annual reports of the reporting company.

8. A person, who knew or should have known, and who has not declared his/her interest in the transaction and/or has used voting rights despite the prohibition specified in this article, shall compensate the damage inflicted on the corporation by the transaction and return the personal benefit received from the transaction if it is proved that the transaction resulted in damage to the corporation due to the conflict of interest and the transaction conditions would have been more advantageous in the absence of the interest.

8¹. Members of the governing body of a reporting company, who knew or should have known, and who have not reported a conflict of interest in the transaction and/or have supported the execution of the transaction in violation of the requirements of this article, which resulted in damage to the corporation, shall, jointly and severally with the interested person, compensate the damage inflicted on the corporation by the transaction and return the personal benefit received from the transaction, if any, if it is proved that the transaction resulted in damage to the corporation due to the conflict of interest and the transaction conditions would have been more advantageous in the absence of the interest.

9. Within 18 months after the conclusion of a transaction in violation of the requirement of this article, a member of the governing body of the reporting company and/or a shareholder or a group of shareholders holding 5% or more shares in the reporting company, if this company is a joint stock company, and in the case of a reporting company of a different legal form, each partner, may apply to a court and request the court to declare such transaction void and/or to have the persons specified under paragraphs 8 and 8¹ of this article compensate the damage and return the personal benefit, if any, received from the transaction.

Law of Georgia No 4536 of 28 March 2007 - LGH I, No 9, 31.3.2007, Art. 93

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4324 of 9 March 2011 – website, 22.3.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 17 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Chapter IV - Public trading in securities

Article 18 - Stock exchange transactions

1. Secondary transactions with publicly held securities may be made on or off a stock exchange.

2. The following may be traded on a stock exchange:

- a) securities of Georgian and foreign issuers, the circulation of which is permitted in Georgia under the procedure approved by the Agency;
- b) government debt securities and/or securities issued by the National Bank of Georgia, including government securities provided for by the legislation of Georgia on state debt, unless the trading of these securities does not contravene the legislation of Georgia on the issuance and circulation of these securities;
- c) without additional regulation, securities of the issuer that are admitted to trading on at least one foreign recognised stock exchange. In that case the issuer shall be obliged to notify the Agency.

3. Public trading in securities on a stock exchange shall be carried out in accordance with this Law and the rules of the relevant stock exchange.



4. Transactions in publicly held securities may be made with or without the participation of a brokerage company.
5. Securities of one class may be admitted to trading on one or more stock exchanges.
6. If transactions involving publicly held securities are conducted outside a stock exchange and the amount of the transaction exceeds GEL100, then:
 - a) if the transaction was made through a brokerage company, the brokerage company is obliged to register the number and the price of the securities in accordance with the stock exchange rules;
 - b) if the transaction was made without a brokerage company, the securities registrar is obliged to register the number and the price of the securities in accordance with the stock exchange rules.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Law of Georgia No 5437 of 22 June 2016 – website, 11.7. 2016

Article 19 - Transactions with publicly held securities

1. When conducting securities transactions, the origination, modification or termination of ownership rights relating to them shall arise from the moment of the registration of this fact with the securities registrar, and if the securities are held by a nominee holder, from the moment of their registration in the records of the nominee holder.
2. The Agency may, in accordance with its own rules, determine the requirements and procedures for establishing the accounting date of ownership rights on securities for the realisation of these rights.
3. The Agency may clarify the procedures for the origination, modification or termination of property rights.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Chapter V - Licensing

Article 20 - Types of licenses

1. In accordance with the Law of Georgia on Licenses and Permits and this Law, the Agency may issue, modify, and revoke the following licenses:
 - a) a brokerage activity license;
 - b) a stock exchange license;
 - c) a central depository license;
 - d) a securities registrar's license.
2. The respective activities may not be carried out without a licence specified in paragraph 1 of this article and issued by the Agency, except as otherwise provided for in the legislation of Georgia.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30



Article 20¹ - Establishment of a branch office or creation or acquisition of a subsidiary outside Georgia by a securities registrar or a brokerage company

1. A securities registrar or a brokerage company, within 14 days after the establishment of a branch office or the creation or acquisition of a subsidiary outside Georgia for persons who carry out monitoring under the Law of Georgia on the Facilitation of the Prevention of Illicit Income, in order to conduct the activities stipulated by the legislation of Georgia, shall submit to the Agency the following documents:

- a) a decision of the governing body of the securities registrar or the brokerage company on establishing a branch office, or on creating or acquiring a subsidiary;
- b) a statement of the governing body of the securities registrar or the brokerage company that the branch or the subsidiary has developed a programme to combat the legalisation of illicit income and the financing of terrorism in order to fulfil the recommendations of the the Financial Action Task Force (FATF) with respect to combating the legalisation of illicit income and the financing of terrorism.

2. If the fulfilment of the FATF recommendations by a branch or a subsidiary is not stipulated by the laws and subordinate normative acts of the foreign country where the branch or subsidiary is located, or if this country fails to combat the legalisation of illicit income and the financing of terrorism, and fails to follow or improperly follows the FATF recommendations, then:

- a) the governing body of the securities registrar or of the brokerage company shall undertake in writing to ensure that its branch or subsidiary will implement measures for combating the legalisation of illicit income and the financing of terrorism in accordance with the FATF recommendations and the requirements established in Georgia with respect to securities registrars and brokerage companies;
- b) the securities registrar or the brokerage company shall ensure that the Agency is informed of the fact that its branch or subsidiary has failed to carry out measures provided for by the legislation of Georgia for combating the legalisation of illicit income and the financing of terrorism because these measures are prohibited or restricted by the legislation of the foreign country where the branch or subsidiary is located.

Article 21 - (Deleted)

Article 22 - (Deleted)

Article 23 - Activities of a brokerage company

A brokerage licence authorises a brokerage company to engage in operations and services related to equity share, shares, bonds, certificates, bills of exchange, cheques and other securities, and as such a brokerage company may:

- a) direct consultations to investors on investments, including the price of securities, investment in securities, trading in securities and related foreign exchange transactions;
- b) conduct research related to financial instruments and their issuers and ensure the dissemination of the research results and/or recommendations on investments strategies;
- c) provide consultations to issuers on the issuance of securities and the attractiveness of investments;
- d) prepare and distribute an issuer's securities on a non-guaranteed basis;
- e) receive and transmit clients' orders related to securities, and conduct securities transactions with a clients' funds in their interests;
- f) manage clients' investment portfolios, including pension schemes, and funds allocated for operations in securities;
- g) store and record clients' investment funds and/or securities, as well as provide services to a nominee holder of securities, and open cash and securities accounts for clients for this purpose and conduct operations on those accounts;
- h) enter into securities transactions in their own interests with their own funds;
- i) prepare and distribute an issuer's securities on a guaranteed basis;
- j) lend and borrow securities to and from clients, as well as use their own funds for the acquisition of securities for clients, and participate in 'short



selling' in accordance with the procedure established by the Agency;

k) trade in foreign currency;

l) conduct other operations related to financial instruments, and shares in an entrepreneurial company and exercise other powers provided for by this Law.

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 23¹ - General requirements

1. A person may, at the same time, be a significant shareholder or employee of several brokerage companies. This person shall notify the Agency of this fact and make this information available to the public.

2. An employee of a stock exchange, a securities registrar or central depository (depository), who has access to confidential information, may not, at the same time, be an employee of a brokerage company.

3. This Law permits the participation of commercial banks in the securities markets directly or through subsidiaries (brokerage companies), as provided for in Article 10(2) of the Law of Georgia on the Activities of Commercial Banks.

4. Brokerage companies shall not be engaged in activities that are not stipulated by Article 23 of this Law, except for the above activity related to government securities and supporting activities necessary for conducting the main activity.

5. A company that is not a commercial bank and the activity of which is related only to government securities shall be subject to regulation in accordance with this Law, within the limits of paragraph 23(1) of this Law.

6. The Agency may, in accordance with its own rules, determine the activities specified in Article 23 of this Law during the performance of which a person is not required to be a brokerage company or hold a license if his/her activities are regulated under the relevant legislation.

7. A brokerage company shall conduct an account opening procedure in accordance with the Law of Georgia on the Facilitation of the Prevention of Legalisation of Illicit Income and the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement Foreign Account Tax Compliance Act (FATCA). A brokerage company, during the period of its business relationship with its clients and during the examination of operations conducted by them, shall have information on the client of their services, his/her activities and the risk level of such activities. A brokerage company shall also be obliged to determine the client's tax residence and obtain information on the relevant status of this person in accordance with the requirements set out under the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement Foreign Account Tax Compliance Act (FATCA). A brokerage company may independently determine and require other additional information. A brokerage company may also refuse to open an account without providing any reasons. Moreover, a brokerage company may refuse to open an account for a person or close the existing account if the person refuses to provide information in accordance with the requirements set out under the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement Foreign Account Tax Compliance Act (FATCA).

8. Persons who do not have a licence for brokerage activities may not conduct or advertise their business under a name including the words 'securities brokerage company', or other words or their combination suggesting such activity.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Law of Georgia No 4460 of 28 October 2015 – website, 11.11. 2015

Article 24 - License conditions for a brokerage activity

An applicant seeking a license for a brokerage activity shall submit an application to the Agency, accompanied by the documents prescribed by Article 9 of the Law of Georgia on Licenses and Permits, as well as by information and documents:

a) confirming that the applicant is registered as a limited liability company or a joint stock company under the Law of Georgia on Entrepreneurs;

b) confirming that none of the members of its governing body or its significant shareholder has been convicted for a serious or particularly serious



crime, or for the financing of terrorism and/or the legalisation of illicit income, or other economic crimes; and that none of the members of its governing body has been deprived of the governing body membership rights or been subject to administrative sanctions for gross violation of the legislation on securities during the past five years;

c) on the beneficial owner of a brokerage company who directly or indirectly holds a significant shareholding;

d) annual or semi-annual financial statement of the previous year (whichever is the most recent), verified by an auditor, or, if a person applies to the Agency not later than 6 months after its establishment, the current balance sheet;

e) on the possession of the minimum amount of equity capital prescribed by the Agency (where so required);

f) on the fact that the members of its governing body have relevant qualifications and/or experience.

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5528 of 1 December 2011 – website, 28.12.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 25 - (Deleted)

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Article 26 - (Deleted)

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Article 27 - License conditions for stock exchanges

1. An applicant seeking a stock exchange license shall submit an application, accompanied by the documents prescribed by Article 9 of the Law of Georgia on Licenses and Permits, for obtaining the license. The applicant shall also enclose the following information and documents:

a) confirming that the applicant is registered as a limited liability company or a joint stock company under the Law of Georgia on Entrepreneurs;

b) confirming that none of the members of its governing body or a significant shareholder has been convicted for a serious or particularly serious crime, or for the financing of terrorism and/or the legalisation of illicit income, or other economic crimes; and that none of the members of its governing body has been deprived of the governing body membership rights or been subject to administrative sanctions for gross violation of the legislation on securities during the previous five years;

c) on the compliance of members of the governing body with the eligibility criteria laid down in accordance with the procedure established by the Agency;

d) the compliance declaration of a beneficial owner of a significant share determined in accordance with the procedure established by the Agency;

e) its charter, internal regulations and rules, which;

e.a) include procedures concerning membership, trade, admission to trade, dispute settlement and other rules required in accordance with this Law;

e.b) require a fair, reasonable and equitable attitude towards all members or membership candidates of a stock exchange;

f) on the possession of the minimum amount of equity capital prescribed by the Agency (where such requirement exists);

g) an annual or semi-annual financial statement of the last year (whichever is the most recent), verified by an auditor and prepared in accordance with the procedure established by the Agency. An applicant seeking a securities registrar license shall submit a current financial statement verified by an auditor, if it has applied for obtaining the license no later than half year since the day of its establishment;

h) a document (documents) on the minimum amount of equity capital deposit on the bank account (accounts) prescribed by the Agency from a bank licensed in Georgia;

i) on the compliance of its organisational structure and technical means with the procedure established by the Agency (where such regulations exist);

j) the names of significant partners (shareholders) and the number of shares held by each;



2. Persons who do not have a stock exchange license shall have no right to conduct or advertise their business under a name including the words "the stock exchange", or any other word or their combination suggesting such activity.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 5528 of 1 December 2011 – website, 28.12.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9.2015

Article 28 - License conditions for a central depository (depository)

1. A central depository (depository) may also hold a securities registrar license. The license shall be issued in accordance with Article 9(6) of the Law of Georgia on Licenses and Permits in the above-mentioned case.

2. An applicant seeking a securities registrar license shall submit an application, accompanied by the documents prescribed by Article 9 of the Law of Georgia on Licenses and Permits, for obtaining the license. The applicant shall also enclose the following information and documents:

- a) confirming that the applicant is registered as a limited liability company or a joint stock company under the Law of Georgia on Entrepreneurs;
- b) confirming that none of the members of its governing body or its significant shareholder has been convicted for a serious or particularly serious crime, for the financing of terrorism and/or the legalisation of illicit income, or other economic crimes; none of the members of its governing body has been deprived of the governing body membership rights or been subject to administrative sanctions for gross violations of the legislation on securities during the previous five years;
- c) on the compliance of members of the governing body with the eligibility criteria laid down in accordance with the procedure established by the Agency;
- d) the compliance declaration of a beneficial owner of a significant shareholding determined in accordance with the procedure established by the Agency;
- e) on its charter, internal regulations and rules;
- f) on the possession of the minimum amount of equity capital prescribed by the Agency (where such requirement exists);
- g) an annual or semi-annual financial statement for the previous year (whichever is the most recent), verified by an auditor and prepared in accordance with the procedure established by the Agency. An applicant seeking a Securities Registrar license shall submit a current financial statement verified by an auditor, if it has applied for obtaining the license no later than half year since the day of its establishment;
- h) a document (documents) on the minimum amount of equity capital deposit on the bank account (accounts) prescribed by the Agency from a bank licensed in Georgia;
- i) on the compliance of its organisational structure and technical means with the regulations established by the Agency (where such regulations exist);
- j) the names, addresses and descriptions of related work experience of the officers of the securities registrar;
- k) the names of the employees who are responsible for monitoring compliance with this Law, with the procedure established by the Agency, and with the rules adopted by the central depository (depository);
- l) the names of significant partners (shareholders) and the number of shares held by each.

3. Persons who do not have a license of a central depository may not conduct or advertise their business under a name including the words 'central depository of securities', or other words or their combination suggesting such activity.

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 5528 of 1 December 2011 – website, 28.12.2011



Article 29 - License conditions for securities registrars

1. An applicant seeking a securities registrar license shall submit an application, accompanied by the documents prescribed by Article 9 of the Law of Georgia on Licenses and Permits, for obtaining the license. The applicant shall also enclose the following information and documents:

- a) confirming that the applicant is registered as a limited liability company or a joint stock company under the Law of Georgia on Entrepreneurs;
- b) confirming that none of the members of its governing body or its significant shareholders has been convicted for a serious or particularly serious crime, for the financing of terrorism and/or the legalisation of illicit income, or other economic crimes; and none of the members of its governing body has been deprived of the governing body membership rights or been subject to administrative sanctions for gross violation of the legislation on securities during the previous five years;
- c) on the compliance of its organisational structure and technical means with the regulations established by the Agency (where such regulations exist);
- d) on the possession of the minimum amount of equity capital prescribed by the Agency (where such requirement exists);
- e) on its charter, internal regulations and rules;
- f) the names of partners (shareholders) and the number of shares held by each, and their former occupations for the previous five years, and any security holdings they have in reporting companies;
- g) the names, addresses and descriptions of related work experience of senior officials;
- h) the names of employees, liable for the supervision of compliance with this Law, with related rules and with securities registrar rules;
- i) the names of significant partners (shareholders) and the number of shares held by each;
- j) on the fact that the members of its governing body have relevant qualifications and/or experience.

2. Persons who do not have a securities registrar license, shall have no right to conduct or advertise their business under a name including the words 'registrar or securities registrar', or any other word or their combination suggesting such activity.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5528 of 1 December 2011 – website, 28.12.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 30 - (Deleted)

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Article 31 - Revocation of licenses of brokerage companies, stock exchanges, central depositories and securities registrars

1. The Agency shall be entitled to revoke a license issued to a brokerage company, stock exchange, a central depository (depository) or a securities registrar in accordance with the Law of Georgia on Licenses and Permits and the procedure laid down in paragraph 3 of this article, if:

- a) a license holder fails to comply with the terms and conditions for issuing the license;
- b) a license holder violates requirements set out in the legislation of Georgia;
- c) in other cases as provided for by the Law of Georgia on Licenses and Permits.

2. Where the violations specified in paragraph 1 of this article are discovered, the Agency shall warn the license holder and set a period of no less than 30 days to rectify the violations,.

3. The Agency may revoke the license on the basis of a reasoned decision, and appoint an administrator if required, where the license holder fails to rectify the violations as provided for by paragraph 2 of this article.

4. Upon the delivery of a decision to revoke a stock exchange license, no new transactions shall be made except as required for the protection of investors.

5. An administrator appointed under paragraph 3 of this article shall exercise the powers of management and take all necessary measures to protect



investors within his/her/its competence as prescribed by the law.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Chapter VI - Regulated securities market participants

Article 32 - Financial statements, accounts and their examination

1. The Agency, in order to exercise its powers, may impose requirements on persons subject to licensing by the Agency with respect to the keeping of various types of documents, to the period of their storage and to the submission of financial reports.

2. In relation to information on any transaction (including attempted transactions), or on any account, the account transaction and account balance may be disclosed to the account holder or his/her representative, or to the Agency, within its competence, or to the Financial Monitoring Service of Georgia, in cases provided for by the legislation of Georgia, and to tax authorities, in cases provided for paragraph 2¹ of this article. This information shall be disclosed to other parties only on the basis of a relevant court decision.

2¹. The information specified in paragraph 2 of this article may be disclosed to tax authorities within the framework of the Agreement between the Government of the United States of America and the Government of Georgia to Improve International Tax Compliance and to Implement Foreign Account Tax Compliance Act (FATCA). A tax authority may disclose this information to the competent authority of the United States of America prescribed by the Agreement.

3. The Agency may check the observance of the requirements of normative and methodological documents by persons who are subject to licensing by the Agency, and moreover it may check accounting documents, components of financial statements and other material for this purpose, and request and receive any information within its competence.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 5528 of 1 December 2011 – website, 28.12.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Law of Georgia No 4460 of 28 October 2015 – website, 11.11. 2015

Article 33 - Duties of brokerage companies and of brokers

1. A brokerage company shall maintain separate accounts to separate its own assets from the securities and monetary funds of its clients.

2. All agreements between a brokerage company and its clients shall be made in writing.

3. Brokerage companies and brokers shall ensure the execution of their clients' orders under the best terms and conditions existing on the market in accordance with the procedure laid down by the Agency: they shall not compete against clients' orders, or manipulate prices or costs in connection with the execution of clients' orders or execute clients' orders at such a price and cost as to be less advantageous for the client.

4. A broker shall be prohibited from giving knowingly misleading recommendations and information to clients on behalf of the brokerage company. A brokerage company shall provide information on the suitability of investments, and potential conflicts of interest of a brokerage company or a broker and about the financial condition of the brokerage company.

5. A brokerage company shall notify the Agency in writing within seven days after the occurrence of a relevant event or after making the relevant decision on:

a) opening and closing a branch office;

b) changing the name of the brokerage company.

6. A brokerage company shall obtain prior consent on reorganisation from the Agency. The Agency may refuse to give its consent on reorganisation to



the brokerage company if the reorganisation poses a threat to clients' monetary funds and/or his/her/its securities entrusted to the brokerage company.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 34 - Stock exchange members

1. Licensed financial institutions may become members of a stock exchange.
2. A licensed financial institution may be a member of more than one stock exchange.
3. A stock exchange shall deny membership of the stock exchange to a person if:
 - a) this person does not recognise in writing the stock exchange rules and does not comply with their requirements;
 - b) a broker who is to trade on a stock exchange on behalf of the applicant does not comply with the standards of training, experience or competence prescribed by the stock exchange rules;
 - c) he/she does not agree in writing to permit the examination of his/her books and records for the verification of the accuracy of submitted information.
4. A member of a stock exchange may appeal to a court any decision of the stock exchange that contravenes the legislation of Georgia and/or the stock exchange rules.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Article 34¹ - Stock exchange rules

1. The rules of a stock exchange shall:
 - a) determine methods and procedures for the settlement of disputes relating to securities market transactions;
 - b) establish procedures for securities trading on the stock exchange and conditions for the temporary suspension or termination of trading in specified securities;
 - c) establish the days and hours of trading sessions on the stock exchange;
 - d) determine the rights and obligations of stock exchange participants and penalties for the violation of these requirements;
 - e) determine quotation and announcement procedures, and the form and content of quotations and market data related to securities trading. (The rules shall be designed to produce fair and informative quotations, and to prevent misleading and fictitious quotations, and to promote organised procedures for the collection and distribution of quotations);
 - f) determine the information facilities of the stock exchange;
 - g) establish rules for accounting for stock exchange transactions, which are necessary for recording transactions entered into between its members and for subsequent settlement;
 - h) determine the procedure for admitting brokers to trade on the stock exchange, including qualification/testing requirements and conditions for supervising brokers' activities and for suspending or revoking their admission to trade;
 - i) ensure mechanisms for preventing fraudulent and manipulative practices, and promote the principles of fair and equal trade, as well as the development of cooperation and coordination between persons engaged in regulation, clearance, settlement and information processing, in order to facilitate securities transactions;
 - j) prohibit discrimination between customers, issuers, brokerage companies and brokers of the same status.
2. On each trading day, a stock exchange shall publicly announce information on the total volume of daily trading, prices and other market information related to the trading of sold securities.
3. Other rules of a stock exchange shall establish:

- a) the types of services offered by the stock exchange and the fees for such services;



- b) the procedure for resolving the complaints of the clients of its members on issues related to the stock exchange rules;
 - c) liability for violating this Law or the relevant rules or the stock exchange rules in the form of expulsion of members, suspension and restriction of their activities and functions, or the expression of reprimand, or the imposition of fines or other sanctions;
 - d) the norms of the Code of Ethics.
4. A stock exchange may not be engaged in any activity other than:
- a) stock exchange (main) activity determined under this Law;
 - b) other (auxiliary) activities necessary for conducting the main activity;
 - c) an auxiliary activity related to the efficient use of assets necessary for conducting the main activity.
5. Several stock exchanges may simultaneously operate in Georgia.

Article 35 - Governing body of a stock exchange

1. The composition of the stock exchange supervisory board shall be determined by shareholders.
2. The governing body of a stock exchange may:
 - a) adopt, reject or amend stock exchange rules;
 - b) ensure compliance with this Law, its internal regulations and the charter, and of the rules of the stock exchange and, in furtherance thereof, examine the activities and financial condition of the members of the exchange;
 - c) interpret the rules of the stock exchange, which interpretation shall be final;
 - d) admit certain securities to trading, and suspend or stop trading of certain securities;
 - e) allow members to conduct activities on the stock exchange in accordance with the stock exchange rules and Article 34 of this Law, and temporarily or permanently prohibit members from trading in accordance with the stock exchange rules;
 - f) ensure legal and proper business practices, and the publication of quotations, prices, and market information related to them;

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 36 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 37 - Reorganisation and liquidation of a stock exchange

1. A stock exchange may not be reorganised or liquidated without the prior consent of the Agency.
2. A stock exchange shall be reorganised or liquidated in accordance with the procedures laid down in the Law of Georgia on Entrepreneurs, this Law, the procedure established by the Agency, the charter of the stock exchange and its internal regulations and rules.
3. The revocation of a stock exchange license of a stock exchange shall serve as grounds for the liquidation of the stock exchange.
4. A stock exchange that decides on the voluntary liquidation or suspension of its stock exchange activities shall promptly notify the Agency in writing of this decision.
5. A liquidator of the stock exchange shall be appointed by the Agency.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015



Article 38 - Central depository (depository)

1. A central depository (depository) shall perform the following functions:

- a) open, operate and close the accounts of the central depository members and other participants of a securities market in accordance with its own rules;
- b) prepare and implement measures to ensure the integrity and security of the securities accounting system as set out in the rules of the central depository (depository);
- c) monitor the observance by the participants of the rules and instructions related to securities accounting;
- d) provide other services related to servicing participants' securities accounts;
- e) issue a statement of securities account to participants in accordance with its rules.

2. A central depository (depository) may, in accordance with its rules, immediately suspend or close the account of a member

- a) whose activities are suspended by the stock exchange or central depository (depository);
- b) who has failed to perform their obligation to deliver securities or monetary funds;
- c) who is in such financial or operating difficulties that the central depository (depository) decides to suspend or close its account and notifies the Agency that the suspension and closing of the account is necessary for the protection of the central depository (depository), its participants, creditors or investors.

3. The rules of a central depository (depository), shall ensure:

- a) the determination of the rights and obligations of the participants;
- b) the fair and non-discriminatory treatment of participants and participation candidates;
- c) the liability of the central depository (depository) for the performance of the timely and accurate clearance and settlement of securities transactions;
- d) the power to apply measures for the expulsion of participants, for the suspension and restriction of their activities and functions, for giving reprimands, for imposing fines or other sanctions for the violation of the rules of the central depository (depository);
- e) the observance of the code of ethics by members and employees.

4. The name of the central depository (depository) shall include the words 'central securities depository', except as otherwise provided for in the legislation.

5. A central depository (depository) shall be prohibited from carrying out any other activities except for the activities of a central depository (depository) and/or securities registrar provided for by this Law and activities related thereto in accordance with the procedure established by the Agency.

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 39 - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 40 - Obligations of a securities registrar

1. A securities registrar shall ensure the observance of its own rules and the rules laid down by the Agency.

2. A securities registrar may not refuse to perform the imposed duties if the issuer has met the terms of the contractual relationship with the securities registrar, if the submitted documents are in compliance with the issuer's charter and internal regulations, this Law, the procedure established by the Agency, and the regulations of the securities registrar. Such refusal may be appealed to the Agency.

3. A securities registrar shall have a contractual relationship with an issuer, and this relationship shall be based on the terms and conditions of a written agreement prepared in accordance with the procedure established by the Agency. Such an agreement shall, as a minimum, require that, if the issuer meets the terms of the contractual relationship with the securities registrar, the securities registrar shall provide the issuer in a timely manner with the current list of registered owners of securities for each issue, which is intended for annual and extraordinary meetings and activities related to the distribution of dividends, payments of interest and the repayment of the principal amount of a loan, as well as for achieving the objectives set out in Article 15 of this Law, and for other permitted corporate activities. A securities registrar may suspend services to an issuer for violating the terms and



conditions of the agreement until the issuer performs its obligations.

4. Upon the written request of a registered owner of securities, a securities registrar shall provide him/her with the following documents:

- a) a statement of his/her securities account for the requested date;
- b) information on the turnover of securities on the account for the requested period.

5. The statement provided by a securities registrar shall include:

- a) a clear indication that the statement is not a security, that it need not be presented to the securities registrar, and represents only a record of the fact that the person mentioned in the statement is the registered owner of these securities (with reference to the owner type) as of the date indicated in the statement;
- b) the full name(s) of the account holder(s), the date and time of issuing the statement (and in the case of account turnover statement, the period), the name and legal address of the issuer, the identification number of the securities class, the amount of securities in the account, the relevant obligations or restrictions with respect to the securities, and any other information required under the regulations of the securities registrar and the Agency.

6. A securities registrar may request from the account holders certain fees for providing additional copies of the account statement. The tariffs set by a registrar shall be fair, reasonable and non-discriminatory (for customers of the same status), and they shall reflect the true cost and be disclosed in advance.

7. The rules of a securities registrar shall:

- a) specify the type of information to be entered into the securities register on each issuer whose securities have been registered in accordance with the rules prescribed by the Agency;
- b) define the procedure for recognising transactions and for entering records into the securities register, and for indicating the time of submission of necessary information related to such records and the time of making the records, in accordance with the procedure established by the Agency;
- c) specify the type of information to be indicated in each securities account opened in the name of the holders or nominee holders of securities, considering that account holders are obliged to notify the securities registrar promptly in writing of any amendments made to the previously submitted information, in accordance with the procedure established by the Agency;
- d) require that the employees observe the rules of conduct, in accordance with the procedure established by the Agency;

8. Employees and managers of a securities registrar may not release confidential, non-public, information to a third party, except for the Agency, which was disclosed to them in the course of their work as a securities registrar, or use this information in securities trading.

9. A securities registrar that does not hold a central depository license shall be prohibited from conducting any activity other than the activity of a securities registrar and/or the exercise of powers under public law delegated to it on the basis of an administrative agreement.

10. The issuer of publicly held securities shall notify the Agency if it directly or indirectly becomes the owner of more than 10% of the share of a securities registrar.

11. Neither a securities registrar nor the members of its governing body shall have the right to be significant shareholders of the securities of the issuer of publicly held securities, for whom the securities registrar maintains the securities register. Information on the registered ownership of such share of securities that is less than a significant share shall be made public.

12. A securities registrar shall submit to the Agency a copy of the agreement between the securities registrar and the issuer, prepared in accordance with the procedure established by the Agency.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 3066 of 4 May 2010 - LGH I, No 25, 17.5.2010, Art. 169

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 41 - Stock exchange and central depository (depository)

1. A stock exchange and a central depository (depository) may establish with respect to their members any requirements that do not contravene the legislation of Georgia.

2. A stock exchange may not use the clearing and settlement services of more than one central depository (depository).

3. A stock exchange or a central depository (depository) shall notify the Agency of the adoption of new rules and the amendment or cancellation of existing rules.

4. Securities may be quoted in any currency on a stock exchange.



Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 42 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 43 - Additional competencies of the Agency

1. The Agency may suspend the operation of a rule of a stock exchange and/or central depository (depository) or request the amendment of this rule from a stock exchange and/or central depository (depository), if this rule contravenes the legislation of Georgia.

2. The Agency may, on the basis of appropriate substantiation, amend or suspend the operation of any rule of a stock exchange and/or central depository (depository) , if it considers that this rule:

a) poses a risk to the functioning of a fair and organised market of publicly-held securities in Georgia;

b) interferes with the rapid, accurate and safe clearing and settlement of securities transactions.

3. In cases specified in paragraph 2 of this article, the Agency may also set forth requirements for or restrictions on a stock exchange and/or central depository (depository) with respect to certain issues or activities that, under this law, fall within the scope of the procedure established by the Agency or the rules of the stock exchange and/or central depository (depository) .

4. A legislative act issued by the Agency on the basis of this article shall be valid for the period determined by the Agency.

5. The validity of a legislative act issued on the basis of this article shall be terminated by the Agency earlier than the period defined by the Agency if the grounds for the issuance of this act are eliminated.

6. A stock exchange and/or central depository (depository) shall be obliged to perform promptly any legal act issued under this article.

7. A stock exchange and/or central depository (depository) may appeal to a court the decision of the Agency made under this article.

8. In the case of a court appeal, the validity of a legal act of the Agency may be suspended by the court decision.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Chapter VI¹ - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 844 of 24 July 2011 – website, 16.8.2013

Article 43¹ - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 844 of 24 July 2011 – website, 16.8.2013

Article 43² - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161



Article 43³ - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 844 of 24 July 2011 – website, 16.8.2013

Article 43⁴ - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 844 of 24 July 2011 – website, 16.8.2013

Article 43⁵ - (Deleted)

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 844 of 24 July 2011 – website, 16.8.2013

Chapter VII - Prohibitions against fraud and manipulation in securities transactions

Article 44 - Fraud and manipulation

For the purpose of creating a false or misleading appearance with respect to trading in publicly held securities or to an organised market, it shall be prohibited to:

- a) enter into such securities transactions on a stock exchange that result in no change in the registered ownership;
- b) issue, directly or indirectly, conflicting orders on the sale or purchase of securities.

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 5009 of 1 July 2011 – website, 15.7.2011

Article 45 - Inside information and its unfair use

1. Inside information means non-public, material information, which is related to one or more reporting companies or their publicly held securities.
2. A person shall be deemed an insider if he/she has access to inside information by virtue of his/her membership of the governing body of a reporting company, his/her participation in the capital of such company (participatory interest), or by virtue of his/her activities, or his/her professional or official duties. Other persons who have received inside information, and where it is evident that the information originated from an insider, shall likewise be deemed insiders.
3. An insider or a person who knowingly receives inside information from an insider, may not :
 - a) acquire or sell, for himself/herself or on behalf of a third person, directly or indirectly, the publicly held securities of a reporting company or companies on which he/she has inside information;
 - b) disclose inside information to a third party unless such a disclosure is made due to his/her activities or professional or official duties;
 - c) give a recommendation to a third party, or procure a third party to acquire or dispose of publicly held securities, on the basis of inside information.

Chapter VIII - Supervision of Securities Market



Article 46 - (Deleted)

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Article 47 - (Deleted)

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Article 48 - (Deleted)

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Article 49 - (Deleted)

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 50 - (Deleted)

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Article 51 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 52 - (Deleted)

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Article 53 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30



Article 54 - (Deleted)

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Chapter IX - Liability for the violation of the legislation on securities

Article 55 - Administrative and criminal liability for the violation of the legislation of Georgia on securities

1. The types of violations of the securities legislation of Georgia shall be determined by this Law, and the amount of penalties and the procedure for their imposition shall be determined by the Administrative Code of Georgia.

2. If a person violates the requirements of this Law, or the procedure established by the Agency or the legislation on securities, or if his/her possible actions may pose a threat to investors' interests, the Agency may request, by a legal act:

a) that the violating party and his/her accomplice take necessary measures to bring their activities into compliance with the requirements of the legislation of Georgia within the time limits specified by the Agency;

b) suspend the sale or transactions of securities;

c) suspend the violating party from participating in the securities market for a certain period;

d) impose liability on the violating party as provided for in this Law and the normative acts of the Agency.

3. For the violation of the regulations of securities markets, committed in aggravated circumstances, the violating party may be held criminally liable.

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 4520 of 27 March 2007 - LGH I, No 9, 31.3.2007, Art. 85

Law of Georgia No 5269 of 11 July 2007 - LGH I, No 30, 30.7.2007, Art. 340

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Article 55¹ - Violations and sanctions

1. The Agency may impose the sanctions specified in paragraph 2 of this article on a regulated securities market participant and/or a member of its governing body if the regulated securities market participant and/or the member of its governing body has violated:

a) the rules of securities offering;

b) the requirements of the securities legislation;

c) the license rules;

d) the securities circulation and other rules;

e) the reporting and confidentiality requirements and/or the procedure for designing rules;

f) the requirement of the Law of Georgia on the Facilitation of the Prevention of Legalisation of Illicit Income (in the case of a securities registrar, brokerage company or a member of its governing body).

2. If the violations referred to in paragraph 1 of this article are discovered, the Agency may apply the following sanctions in the given order, or apply them out of order due to the seriousness of the violation and of the potential risk:

a) send a written warning;

b) introduce special measures or issue instructions (directives) requiring the regulated securities market participant to cease the violation and prevent any further violations, and take measures to rectify the violations within the period specified by the Agency;

c) impose monetary fines according to the procedure and in the amount prescribed by the Agency;

d) suspend the signatory rights of a member of the governing body of the regulated securities market participant and require the governing body to temporarily or permanently remove him/her from office;



e) suspend or restrict the distribution of profits, the issuance of dividends and material incentives, and the assumption of new obligations;

f) revoke a license for the relevant activity.

3. The sanctions imposed under this article shall correspond to the seriousness of the violation and the potential risk.

4. The sum of the monetary fine imposed under this article shall be paid to the State Budget of Georgia.

5. The sanction imposed on a regulated securities market participant by an administrative legal act shall be enforced, in accordance with the Law of Georgia on Enforcement Proceedings, on the basis of a writ of execution issued according to an administrative legal act that has entered into force.

Law of Georgia No 1678 of 24 September 2009 - LGH I, No 29, 12.10.2009, Art. 161

Law of Georgia No 2831 of 23 March 2010 - LGH I, No 19, 13.4.2010, Art. 105

Law of Georgia No 4201 of 3 September 2015 – website, 10.9. 2015

Chapter X - Transitional Provisions

Article 56 - (Deleted)

Law of Georgia No 1929 of 30 April 1999 - LGH I, No 14(21), 13.5.1999, Art. 59

Law of Georgia No 2255 of 20 July 1999 - LGH I, No 34(41), 21.7.1999, Art. 168

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

Chapter XI - Final Provisions

Article 57 - Final Provisions

1. This Law shall enter into force shall on the 15th day after its promulgation.

2. Order No 412 of 9 August 1997 of the President of Georgia on certain Organisational Measures for Establishing the Registration System for the Shares of Joint stock Companies shall be deemed invalid upon the entry of this Law into force.

3. Order No 375 of 18 June 1998 of the President of Georgia on Temporary Regulations for Maintaining a Stock Register shall be deemed invalid from 15 July 2008.

4. Any license issued on the basis of this Law before 15 April 2008 has the same legal force as licenses issued after 15 April 2008.

5. All the rules of the Financial Monitoring Service of Georgia that were in force until 15 April 2008 shall retain their legal force until 15 February 2009. New regulations that are in compliance with the legislation of Georgia shall come into force on 15 February 2009.

Law of Georgia No 2503 of 18 July 2003 - LGH I, No 22, 08.8.2003, Art. 156

Law of Georgia No 5910 of 14 March 2008 - LGH I, No 7, 26.3.2008, Art. 30

President of Georgia

Eduard Shevardnadze

Tbilisi,

24 December 1998

No 1745-III

