

LAW OF GEORGIA
ON STATE SUPPORT FOR INVESTMENTS

Chapter I - General Provisions

Article 1 - The aim of the Law

This Law is intended to promote investments by improving the procedures necessary for investment and business activities and by creating an additional legal framework.

Article 2 - Scope of the Law

1. This Law applies to all foreign and domestic investments made and used on the territory of Georgia.
2. This Law determines special norms and additional support measures to encourage investments of special importance.
3. The rights provided in this Law apply to all natural and legal persons.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Chapter II - Providing State Support for Investments

Article 3 - The Georgian National Investment Agency

1. The Government of Georgia shall provide state support for investments.
2. The Georgian National Investment Agency ('the Agency') shall represent the Government of Georgia in matters related to state support for investments.
3. The Agency shall be entitled to represent an investor in relations with administrative bodies and other persons. For this purpose, a contract shall be concluded between the investor and the Agency; the contract shall determine the scope of the representation. Under the contract concluded between the Agency and the investor, the Agency shall help the investor in obtaining all necessary licenses and/or permits for investment activity or in exercising other representative powers. The Agency shall exercise the above powers in return for a fee, except where the investment is of special importance. The service fee shall be determined in agreement with the Agency Supervisory Board. Investments of special importance shall be exempted from the service fee.
4. The Agency's representative authority specified in this article shall not restrict the investor from dealing with administrative bodies directly or through another representative.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 4469 of 22 March 2011 - website, 1.4.2011

Law of Georgia No 6627 of 5 July 2012 - website, 9.7.2012

Article 4 - Investor's rights

1. An investor may:
 - a) request the issuance of any kind of license/permit (including a preliminary license/permit) through the Agency;
 - b) request property acquisition and performance of all related procedures through the Agency;
 - c) request any information related to the issuance of a license/permit (including a preliminary license) to the investor, also information related to property acquisition and to investments.
 - d) enjoy legal safeguards provided by the legislation of Georgia.
2. In order to ensure the exercise of the rights provided in this Law, administrative bodies shall be obliged to collaborate with the Agency and investors.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247



Article 5 - Procedure for issuing preliminary licenses and/or permits

1. A preliminary license /permit is a right granted to a person by an administrative body on the basis of an administrative act to carry out a specific activity/action, provided that the requirements determined by the law for receiving the relevant license/permit have been met. A time limit may be set for meeting those requirements. Any license and/or permit may be issued in advance, except for:

- a) a license to use;
- b) a construction permit;
- c) a license (permit) in the field of weapon and ammunition circulation.

2. Any person may apply for a preliminary license/permit.

3. To obtain a preliminary licence/permit, an applicant, in addition to the documents specified by the Law of Georgia on Licenses and Permits, shall submit to an appropriate administrative body an engineering design of the activity for which he/she is seeking to obtain the license/permit. The engineering design shall be as detailed as possible in order to clearly determine the conditions (taking into consideration the specific nature of the activity, it may include: the branch of the activity, the amount, schedule and types of the investment; location, technological processes, description and types of machinery and equipment used, implementation schedule and other data according to the investor's decision). The issuer of the license/permit may request additional information on the engineering design in order to determine conditions. This request shall be reasonable and feasible. The time limit for providing additional information on the engineering design may not be less than 15 days. A license/permit seeker may submit the information specified in this paragraph in advance of the time limit.

4. An administrative body shall be obliged to issue an administrative act within the time limits defined by the Law of Georgia on Licenses and Permits from the moment of receiving an application for a preliminary license/permit; the administrative act, in addition to the details envisaged by the General Administrative Code of Georgia, shall include the conditions for a given license/permit and, if required, the time limits for satisfying the conditions. The license/permit conditions shall be established according to the legislation of Georgia and in such a way that it is possible to evaluate and monitor the performance of the conditions.

5. A preliminary license/permit shall take effect after the holder of the license/permit submits the documents confirming that the established license/permit conditions have been performed. The issuer of the license/permit shall make the confirmation by issuing an administrative act.

6. After a preliminary license/permit is issued, the license/permit conditions envisaged by this article may not be changed without the prior consent of the preliminary license/permit holder if the changed conditions are disadvantageous to the investor. If, after the issuance of the empowering administrative act envisaged by this article, the license/permit conditions determined by the legislation are changed to the detriment of the investor, then the changes shall not apply to the preliminary license/permit holder without his/her consent for 5 years after the issuance of the preliminary license/permit.

7. The time limits and procedures for issuing preliminary licences/permits shall be determined by ordinance of the Government of Georgia.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Article 6 - (Deleted)

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 5297 of 11 July 2007 - LHG I, No 31, 3.8.2007, Art. 349

Article 7 - (Deleted)

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 5297 of 11 July 2007 - LHG I, No 31, 3.8.2007, Art. 349

Article 8 - (Deleted)

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 5297 of 11 July 2007 - LHG I, No 31, 3.8.2007, Art. 349



Article 9 - Investments of special importance

1. Investors that are planning to make an investment with a total amount of more than eight million lari or an investment that functionally and strategically has a significant influence on the development of the country's economy and infrastructure, may request the Government of Georgia to award the status of special importance to the investments made by them.
2. In addition to the cases specified in the first paragraph of this article, the Government of Georgia may award the status of an Investment of Special Importance (the Status) to investments made in the mountainous regions with a total amount of more than two million lari, or investments that functionally and strategically have a positive effect on the development of the local economy and infrastructure.
3. The Status shall be awarded by decree of the Government of Georgia.

Article 10 - Procedure for awarding the Status

1. An investor may request the Status before or after making an investment.
2. In order to obtain the Status specified in this Law, an investor shall submit to the Government of Georgia an investment application accompanied by a detailed plan for the implementation of the investment.
3. A ministry (ministries) and/or another administrative body (bodies) designated by decision of the Government of Georgia shall review the investment application not later than one month after its submission and decide whether to award the requested Status to the investment. This period may be extended by decision of the Government of Georgia upon a reasoned request of the lead ministry defined by a corresponding decree of the Government of Georgia; the investor shall be notified of the extension of the period. If the Government of Georgia does not issue a decree within the specified period, it shall be regarded as a refusal to award the Status.
4. Upon awarding the Status, a contract shall be concluded between the Government of Georgia and the investor; the contract shall determine the conditions for the investment. Some changes may be made to the investment plan and to the contract by agreement of the parties. The conditions of the contract shall be public.
5. As soon as a special investment Status is awarded, the investor, in order to ensure the fulfilment of contractual obligations, shall be obligated to deposit a guarantee amount for the investment in the amount of 2 % of the investment, or submit an appropriate bank guarantee.
6. The Agency shall be obliged to conduct systematic monitoring of the implementation of investments of special importance and submit corresponding reports to the Government of Georgia. The reporting schedule shall be established by decree of the Government of Georgia. If necessary, on the basis of the reports, the Government of Georgia may decide to take additional measures intended to support an investment of special importance.
7. The Agency shall maintain a departmental register of investments of special importance.
8. The Government of Georgia may set out in detail the procedure for awarding the Status.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Article 11 - Matters connected with the exercise of state control over business activities in cases of investments of special importance

1. If an investor makes an investment of special importance, it may notify the Agency of the state control exercised over its activity. The Agency shall review the information and inform the Government of Georgia if the state control over the business activity is exercised in breach of the law or if there are other circumstances hindering the implementation of the investment.
2. The Agency, in order to exercise the authority provided in the first paragraph of this article, may request the controlling bodies to provide information, except for confidential information directly envisaged by law.

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Article 12 - Expiration of the Status

1. The Status shall be in force for the period defined by decree of the Government of Georgia.
2. The Status shall be revoked if the investor fails to perform the terms of the contract concluded according to this Law.
3. The revocation of the Status shall not entail the revocation of the issued licenses and permits (including the preliminary licenses and permits). Any licenses/permits shall be in force if they are not revoked in the form required by the legislation of Georgia.
4. If the investor fulfils the conditions of the contract, the guarantee amount specified in Article 10 of this Law shall be returned to the investor without delay.
5. If the Status is revoked, the guarantee amount specified in Article 10 of this Law shall be transferred to the State Budget.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247



Article 13 - Some of the powers of higher state bodies

1. In the capital of Georgia, also in the capitals of the autonomous republics and in recreational areas, as well as in the territory of the town of Borjomi, the spatial and territorial planning documents envisaged by the law of Georgia on the Fundamentals of Spatial and Urban Planning shall be approved with the agreement of the Government of Georgia.

2. In the capital of Georgia, and in the capitals of the autonomous republics, the development regulation zone that is envisaged by the Law of Georgia on Cultural Heritage shall be the special construction regulation zone defined by the Code on Safety and Free Movement of Products and it shall be approved by the Government of Georgia.

3. In the recreational areas of Bakuriani and Gudauri, as well as in the territory of the town of Borjomi, the disposal of the land (except for private land), the granting of construction permits and monitoring of the ongoing construction works, the maintenance of roads, water supply and wastewater networks, the provision of first aid and rescue services, as well as the development of touristic infrastructure for promoting tourism and organisation of the associated public services according to procedures determined by the Government of Georgia, shall be carried out by an administrative body designated by the Government of Georgia or a legal person under public law. The Government of Georgia may delegate this authority, for a specified period, to a self-governing unit.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 4518 of 8 April 2011 - website, 15.4.2011

Law of Georgia No 1042 of 6 September 2013 - website, 23.9.2013

Chapter V - Transitional Provisions

Article 14 - Investment activity started before the entry into force of this Law

Any person may apply to the Government of Georgia in order to exercise the rights under this Law, provided that the person's activity complies with this Law and is in progress as of the date of application, regardless of when the investment activity in question began.

Article 15 - (Deleted)

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

Law of Georgia No 5297 of 11 July 2007 - LHG I, No 31, 3.8.2007, Art. 349

Chapter VI - Final Provision

Article 16 - Entry into force

1. This Law, except for Article 13(2) and (3), shall enter into force from 15 August 2006.

2. Article 13(2) and (3) of this Law shall enter into force from the day of entry into force of the relevant subordinate normative acts.

Law of Georgia No 3526 of 25 July 2006 - LHG I, No 32, 31.7.2006, Art. 247

President of Georgia

M. Saakashvili

Tbilisi,

30 June 2006

No 3424-ES

