

LAW OF GEORGIA
ON REGULATORY FEES

Chapter I - General Provisions

Article 1 - Purpose of the Law

1. The purpose of this Law is to ensure the financial independence of national regulatory authorities and of legal entities under public law regulating activities connected with the use of natural resources, oil refining, natural gas processing and/or transportation, and the performance of public regulatory functions by such authorities.

2. This Law establishes the concept of a regulatory fee as one of the financing sources of the authorities specified in paragraph 1 of this article, as well as its amount, structure and payment procedure. This Law does not exclude the possibility of financing the activities of the aforementioned authorities by other resources.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Law of Georgia No 490 of 25 March 2013 -website, 5.4.2013

Law of Georgia No 1590 of 20 November 2013 -website, 3.12.2013

Article 2 - Scope of the Law

This Law applies to all the authorities that, according to the Law of Georgia on National Regulatory Authorities, are regulatory authorities, and to the following legal entities under public law: the National Environmental Agency, which regulates the use of natural resources, and the State Agency of Oil and Gas, which regulates oil refining and natural gas processing and/or transportation activities.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Law of Georgia No 490 of 25 March 2013 -website, 5.4.2013

Law of Georgia No 1590 of 20 November 2013 -website, 3.12.2013

Chapter II - Concept of a Regulatory Fee - Amount, Structure and Payment Procedure

Article 3 - Concept of a regulatory fee

1. A regulatory fee is one the sources for the formation of the budget of the authorities specified in Article 1(1) of this Law and is directly related to the public and independent performance of the regulatory functions granted to them by the legislation of Georgia.

2. The amount of the regulatory fee shall be determined by a normative act of the relevant national regulatory authority, and in the case of the legal entities under public law called the National Environmental Agency and the State Agency of Oil and Gas, which regulate the use of natural resources, oil refining, natural gas processing and/or transportation activities, by their normative acts in agreement with the Government of Georgia.

3. The receipt of a regulatory fee by the authorities specified in Article 1(1) of this Law shall not be considered as an economic activity.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Law of Georgia No 490 of 25 March 2013 -website, 5.4.2013

Law of Georgia No 1590 of 20 November 2013 -website, 3.12.2013

Article 4 - Regulatory fee payers

1. A regulatory fee payer shall be any person that:

- a) performs the regulatory activities determined by the relevant law;
- b) uses natural resources in accordance with the legislation of Georgia;
- c) disposes of state-owned oil and gas in accordance with the legislation of Georgia.

2. Paragraph 1 of this article shall not apply to those natural persons who use natural resources for private consumption in accordance with the



legislation of Georgia.

3. The Government of Georgia may exempt a person from regulatory fees if that person has been exempted, in accordance with the legislation of Georgia, from a licence to use natural resources.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Article 5 - Amount and structure of the regulatory fees of national regulatory authorities

1. The amount of the regulatory fee shall not exceed 0.75 per cent of the total value (without VAT) of the supply of the regulated goods (services) and/or of the work performed.

2. Regulatory fees for the payers specified in Article 4 of this Law shall be calculated, during the calendar year, on the basis of the amount specified in paragraph 1 of this article.

3. Regulatory fees shall be non-discriminatory and established in such a way that they are sufficient to cover the budgetary costs of the relevant national regulatory authority.

4. The regulatory authorities specified in Article 2 of this Law, considering the specificity of their regulated activities, may establish, by a normative act, a regulatory fee that is lower than the marginal amount determined by paragraph 1 of this article.

Law of Georgia No 4865 of 5 June 2007 – LHG I, No 21, 18. 6.2007, Art. 180

Law of Georgia No 43451 of 16 July 2010 – LHG I, No 42, 22.7.2010, Art. 270

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Law of Georgia No 1590 of 20 November 2013 -website, 3.12.2013

Article 6 - Procedure for the payment of regulatory fees

1. Regulatory fees shall be transferred to the account of the relevant authority specified in Article 1(1) of this Law.

2. Regulatory fees shall be paid according to the periodicity defined by the normative act issued by the authority specified in paragraph 1 of this article.

3. The authority specified in Article 1(1) of this Law may, within the powers granted by the legislation of Georgia, establish a regulatory fee in accordance with Article 4 of this Law separately for each regulated activity and/or for the use of natural resources and/or for the disposal of state-owned oil and gas.

4. Any funds not used in the current year by the national regulatory authority shall be carried forward to the next year and shall be taken into account when changing regulatory fees.

5. The non-budgetary funds (regulatory fees) not used in the current year by the legal entities under public law regulating the use of natural resources and oil refining, natural gas processing and/or transportation activities shall be carried forward to the next year and/or transferred, in accordance with the legislation of Georgia, to the state budget by decision of the Government of Georgia.

6. Other requirements concerning the payment of a regulatory fee, considering the specificity of the activities of the payers of the fee, shall be established by the normative act of the relevant authority specified in Article 1(1) of this Law.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Law of Georgia No 490 of 25 March 2013 -website, 5.4.2013

Law of Georgia No 1590 of 20 November 2013 -website, 3.12.2013

Article 7 - Liability of regulatory fee payers

In the case of the non-payment of a fee by a regulatory fee payer in the established amount and within the specified period, the violator shall be held liable under the legislation of Georgia; furthermore, the relevant authority specified in Article 1(1) of this Law may suspend the performance of regulatory activities with respect to the violator in accordance with the legislation of Georgia.

Law of Georgia No 4680 of 17 May 2011 -website, 1.6.2011

Chapter III - Final Provision

Article 8 - Entry into force of the Law



This Law shall enter into force upon promulgation.

President of Georgia

M. Saakashvili

Tbilisi

1 July 2005

No 1860-6s

