This Law determines legal grounds for the implementation of both foreign and local investments in the territory of Georgia and guarantees for their protection. This Law is intended to define a legal order to promote investments.

Guarantees for protection of investments are determined by the Constitution of Georgia, the international agreements of Georgia, this Law and other legal acts of Georgia.


Chapter I - General Provisions

Article 1 - Investment
1. Investments are considered to be all types of property and intellectual values or rights that will be invested and used in entrepreneurial activity carried out in the territory of Georgia to gain potential profit.
2. Such values or rights may be:
   a) monetary funds, interest, shares and other securities
   b) movable and immovable property: land, buildings and structures, equipment and other material values
   c) rights of using land or other natural resources (including concessions), patents, licenses, know-how, experience and other intellectual values
   d) other property or intellectual values or rights recognised by law.

Article 2 - Subject (investor) and object of investment activity
1. An investor shall be a natural or legal person, or international organisation investing in Georgia.
2. A foreign investor shall be:
   a) citizens of foreign state;
   b) stateless persons who are not permanent residents of Georgia;
   c) citizens of Georgia permanently living abroad;
   d) legal persons registered abroad.
3. Investments in the territory of Georgia may be made in the objects (entities) of any ownership pattern, investing in which are not prohibited according to Article 9(1) of this Law. Investment in objects listed in Articles 9 and 12 of this Law may be carried out only based on special permits or licences.


Chapter II - Legal Status of Subjects of Investment Activity

Article 3 - Rights of an investor
1. During implementation of investment and entrepreneurial activities, rights and guarantees of foreign investors may not be less than rights and guarantees enjoyed by natural and legal persons of Georgia, except for cases defined by legislation.
2. An investor may open current and other accounts in any currency in banking institutions in the territory of Georgia.
3. An investor may be granted loans from banking and financial institutions in the territory of Georgia and abroad, or from natural or legal persons.
4. An investor may purchase shares, bonds and other securities, as well as property existing in the territory of Georgia and abroad.
5. Rights to own, enjoy and manage investment performance results may be transferred to other legal and/or natural persons upon the decision of an investor according to procedures determined by law. When transferring such rights, the relationship between the parties shall be regulated based on the

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6. After paying taxes and obligatory fees, foreign investors shall enjoy the right to convert profits (income) gained from investments, as well as other monetary funds at the market rate in banking institutions of Georgia, and the right of their unlimited repatriation abroad.

Such monetary funds may be:

a) any contribution to the capital of an entity created by foreign investment;

b) any profit and dividend, as well as resources remaining after full or partial sale or liquidation of foreign investment;

c) contract payments including payments related to debentures;

d) charges for the rights of using property that is preliminarily determined as interest from profits gained from using another’s property, including natural resources, copyright, patents (royalty payments), as well as payment of administration and other rents.

7. Foreign investor may take the property under his/her ownership abroad.

8. The right referred to in the fifth paragraph of this article may be restricted based on the law by court decision related to bankruptcy, commission of crimes or failure to fulfil civil obligations.


**Article 4 – Obligations of Investors**

Investors shall be obligated to carry out activities according to the legislation of Georgia, including the legislation related to environment and health protection.

**Chapter III - Promotion and Registration of Investments**

**Article 5 - Promotion of investments**

The Ministry of Economy and Sustainable Development of Georgia together with appropriate agencies shall carry out state policy related to development and implementation of state programmes for the promotion of investment activities.


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

**Article 6 - The Investment Centre of Georgia**

The Investment Centre of Georgia operates at the Ministry of Foreign Affairs of Georgia to promote investments, and its functions are:

a) provision of services for investors and rendering assistance in their entrepreneurial activities;

b) presentation of Georgia as a favourable country for investments, obtaining and dissemination of information about the investment environment, legislative bases, tax systems and other issues related to investment;

c) identification of potential partners in Georgia and abroad, and giving recommendations to them to participate in joint investment projects;

d) elaboration and submission of recommendations to the legislative and executive authorities of Georgia for improving the investment environment;

e) attraction of investments, identification of foreign countries and companies and establishment of individual contacts with them.


**Chapter IV - Investment Protection Guarantees**

**Article 7 - Safety of investment**

1. Investments shall be fully and unconditionally protected by the legislation of Georgia.

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2. Deprivation of an investment may take place only in cases directly determined by law, by court decision and upon urgency determined by the organic law and only with appropriate compensation.

3. Decision on deprivation of investments as well as terms of compensation may be appealed to the courts of Georgia unless otherwise provided in the agreement between the parties or in the international agreements of Georgia.


**Article 8 - Compensation upon deprivation of investment**

1. Compensation paid to an investor shall conform to the real market value of the deprived investment at the moment of deprivation.

2. Compensation shall be paid without any delay and shall include losses incurred by the investor from the moment of deprivation until payment of the compensation amount.

3. Foreign investors may convert the compensatory amount at market rates in the banking institutions of Georgia and transfer it abroad freely and without delay.


Law of Georgia No 3005 of 26 December 2014 – website, 12.1.2015

**Article 9 - Prohibitions and limitations related to implementation of investments**

1. In the territory of Georgia, it shall be prohibited to invest in:
   a) development, production and distribution of nuclear, bacteriological and chemical weapons;
   b) construction of polygons for testing nuclear, bacteriological and chemical weapons;
   c) import of nuclear and hazardous waste from foreign countries for recovery and disposal;
   d) research works related to human cloning;
   e) production of narcotic drugs;
   f) cultivation of soporific poppies, coca bushes and cannabis plants;
   g) activities prohibited by the international agreements of Georgia;
   h) the import or sale of leaded petrol (over 0.013 grams per litre), tetraethyl lead, as well as falsified (non-standard) domestic liquefied gas (investing in import of tetraethyl lead shall be permitted only in necessary cases allowed by production technology).

2. Only the State of Georgia may invest in:
   a) production of monetary signs, coins, state award signs, and postage stamps;
   b) activities related to stamping articles made of precious metals;
   c) activities related to import, export, transportation and wholesale of medicinal narcotic drugs and production of new narcotic drugs;
   d) activities related to production, processing, import, export, transportation and wholesale, as well as production of new types of psychoactive drugs subject to special controls;
   e) dispatching electricity.

3. Investment in the territory of Georgia for foreign and private investors without the need of driving licences shall be permitted in:
   a) activities related to regulation, security and control of marine traffic in the territorial waters of Georgia and waters of maritime ports;
   b) activities related to railway transport control;
   c) activities related to regulation of air traffic, ensuring security and control of flight in the air space of Georgia;
   d) introducing and testing new and modified types of weapons in the production and sale of military equipment to raise the defence capability of the country, upon recommendation of the State Security and Crisis Management Council;
   e) military industrial complex;
   f) activities related to application of nuclear energy for peaceful purposes.


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1. Investors may employ aliens according to the legislation of Georgia. An alien, who is not a permanent resident of Georgia may immediately and freely transfer or take the revenues received by him/her abroad after paying taxes and duties.

2. The required minimum number of citizens of Georgia to be necessarily elected or appointed in leading bodies of enterprises may not be specified.


**Article 11 - Tax treatment related to investment activity**

The Tax Legislation of Georgia shall regulate tax treatment of investment activities and the conditions for their promotion.

**Article 12 - Obtaining property rights to land and other natural resources**

The Civil Code of Georgia, the Law of Georgia on Ownership of Agricultural Land, the Law of Georgia on the Procedure for Issuance of Concessions for Foreign Countries and Companies, the Law of Georgia on Subsoil and the Law of Georgia on Oil and Gas and other laws and legal acts of Georgia shall regulate the issues of obtaining property rights to land and other natural resources, as well as the right to process and use natural resources.


**Article 13 - Legal order of implemented foreign investments**

Enterprises established by foreign investments, having obtained a foreign investment licence according to legislation applicable before the entry of this Law into force, shall enjoy within five years after obtaining the licence concessions considered under the Law of Georgia on Foreign Investments of 30 June 1995 in the field of their activities for which a foreign investment licence has been issued.

**Article 14 - Protection of investments during martial law and armed conflicts**

For foreign investors having suffered losses during martial law and armed conflict, there may not be imposed worse conditions for compensating losses than for local investors.

**Article 15 - Deleted**

*Law of Georgia No 1539 of 17 July 2009 - LHG I, No 23, 10.8.2009, Art. 130*

**Article 16 - Procedure for dispute resolution**

1. Disputes between foreign investors and enterprises registered in Georgia shall be resolved according to the procedure established by agreement of parties, or in the courts of Georgia.

2. Disputes between investors and public authorities shall be resolved in the courts of Georgia if the procedure for dispute resolution is not determined by agreement of parties or the relevant international agreements of Georgia.

3. Decisions of appropriate dispute resolution bodies referred to in the first and the second paragraphs of this article, agreed to by the parties or determined in the relevant international agreements of Georgia shall be final and shall not be subject to appeal. The State shall ensure enforcement of these decisions.

*Law of Georgia No 1539 of 17 July 2009 - LHG I, No 23, 10.8.2009, Art. 130*

**Article 17 - Transitional provisions**

1. Activities and sources of investments of enterprises and facilities that do not conform to the requirements of this Law shall change their profile or terminate functioning and bring the implemented investments in line with this Law within six months. Otherwise, they shall be subject to the mechanisms under Articles 7 and 8 of this Law.
2. The Committees for Environmental Protection and Natural Resources and for Sector Economy of the Parliament of Georgia shall control and coordinate development and implementation of preparatory measures before Article 9(1)(h) of this Law enters into force.

3. The Ministries of Fuel and Energy, of Environmental and Natural Resources Protection, of Internal Affairs, of Economy, Industry and Trade, the Customs Department of the Ministry of Finance of Georgia and the Georgian National Agency for Standards and Metrology ('Sakstandart') shall develop and implement preparatory measures. The Georgian National Agency for Standards and Metrology shall develop relevant standards for domestic liquefied gas before 1 September 1999.

4. The Georgian National Agency for Standards and Metrology and other state authorities, shall fulfil the requirements referred to in Article 9(1)(h) of this Law within the powers determined by law.


Eduard Shevardnadze

President of Georgia

Tbilisi
12 November 1996

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