

Law of Georgia

On the Protection of Consumer Rights

Chapter I General Provisions

Article 1. Purpose of the Law

The purpose of this Law is to determine the legal basis for consumer rights and to facilitate the development of a culture of behaviour based on respect for consumers.

Article 2. Scope of the Law

1. This Law determines general principles for the protection of the rights of consumers who establish legal relations with a trader with a view to consuming the trader's goods or services for private purposes.
2. This Law also applies to mixed-purpose contracts, in which private consumption interests are prioritised over commercial interests. Any ambiguity related to the priority of interests in such contracts shall be clarified for the benefit of a consumer.
3. For the protection of consumer rights, special laws governing respective fields shall be prioritised unless they contravene the consumer rights established by this Law. This stipulation may not be interpreted in such a manner as to cause the duplication of sanctions provided for by various normative acts for the same violation.
4. This Law shall not apply to contracts under which a trader acts within the official powers granted by an administrative contract provided for by Article 2 (1)(g) of the General Administrative Code of Georgia, except for cases where such contract is signed between a trader and a consumer, in which the commercial interests of the trader are prioritised.

Article 3. Inadmissibility of discrimination in the relationship with consumers

1. It shall be inadmissible to discriminate against consumers when publicly offered goods or services are made available to or delivered to consumers.
2. The unequal treatment of persons with a legal purpose, where the mechanism for achieving such purpose is necessary and proportionate, shall not be deemed discrimination.
3. If a person deeming himself/herself discriminated against presents such facts that create the presumption of discrimination, a trader shall bear the burden of proof.
4. If the fact of discrimination against the consumer is confirmed, he/she shall have the right to claim property and non-property (non-pecuniary) damages.

Article 4. Definition of terms

For the purposes of this Law, the terms used herein shall have the following meanings:

- a) applicant any person applying to the Legal Entity under Public Law called the Georgian National Competition Agency, or to an authorised agency determined by Article 28 of this Law, regarding the violation and/or alleged violation of consumer rights, whether or not his/her immediate interests were damaged;



- b) **selling price** a final price per unit or per specified quantity of goods or services, including value added tax and other taxes;
- c) **ancillary contract** a contract by which a consumer acquires the goods or services related to a distance contract or an off-premises contract, and where the goods or services are provided by the trader or by a third party on the basis of an agreement between that third party and the trader;
- d) **distance contract** a contract signed between a trader and a consumer using only one or more distance communication means, under an organised distance sale or service provision scheme, which does not require the physical presence of the consumer and the trader. A contract shall not be deemed a distance contract if a consumer and a trader have negotiated the terms of the contract at business premises and concluded the contract using distance communication means;
- e) **unit price** the final price of goods or services, including value added tax and other taxes, for the following units of measurement: 1 kilogramme, 1 litre, 1 metre, 1 square metre, 1 cubic metre, or other units which, as a rule, are applied as units of measurement in Georgia;
- f) **commercial guarantee** any undertaking by a trader or a producer (the guarantor) to a consumer, in addition to his/her legal obligation relating to the guarantee of conformity, to reimburse the price paid, or to replace or repair goods, or other obligations to provide services that are not related to the obligation to eradicate non-conformity with the contact;
- g) **commercial practice** any action, omission, behaviour, explanation, or commercial communication of a trader, including advertising and marketing, directly related to the selling or the facilitation of the selling of goods or services to consumers;
- h) **trader** any natural person, legal person or an association of persons acting within the scope of a commercial practice, as well as any other person acting in the name of or on behalf of a trader;
- i) **consumer** any natural person who is offered goods or services, or who purchases or further consumes goods or services exclusively for private purposes and not for performing any commercial practice or industrial activity, crafting or other occupational activities;
- j) **business premises** any movable or immovable facility where a trader carries out its commercial practice on a usual basis;
- k) **off-premises contract** any contract between a trader and a consumer in a place, which is not the business premises of the trader, and that requires the physical presence of the trader and the consumer; a contract concluded on the business premises of a trader or through any means of distance communication immediately after the consumer was individually offered to conclude a contract in a place, which is not the business premises of the trader, in the physical presence of the trader and the consumer; a contract concluded during an excursion organised by a trader with the aim or effect of promoting and selling goods or services. A contract concluded in a notary bureau as a result of notarial actions shall not be deemed an off-premises contract;
- l) **goods** any movable thing, as well as any material goods placed therein and/or disseminated in a digital form;
- m) **public auction** a method of sale where goods or services are offered by a trader to a consumer, who attends or is allowed to attend the public auction in person, through a transparent, competitive bidding procedure, where the successful bidder is bound to purchase the goods or services;
- n) **financial service** any service related to financial instruments and/or financial transactions;
- o) **Code of Conduct** an agreement or set of rules not imposed by law, and which determines the behaviour of traders who undertake to be bound by the code in relation to one or more particular commercial practices;
- p) **digital content** information produced and provided in a digital form;
- q) **durable medium** any instrument which allows the storage of information for a long period and its non-modified reproduction for a period adequate for its use.

Chapter II Fundamental Rights and Basic Obligations



Article 5. Basic obligation to provide information to a consumer

1. Prior to concluding a contract, a trader is obliged to provide the following reliable and complete information (unless such information is clear enough) to a consumer in the national language of Georgia, in a clear and understandable manner:

- a) the name of the goods or services, the manufacturer and the material characteristics of the goods or services, taking into account the specificity of the information medium (including its size and capacities);
- b) the identity (name) and address (legal address) of the trader; where applicable, the electronic mail, fax and telephone numbers of the trader to enable fast and effective communication between the consumer and the trader; where applicable, the contact details of the trader on whose behalf a person acts;
- c) where applicable, the name and address of the premises used for replacing and repairing the goods, and for carrying out maintenance services, if it differs from the address referred to in sub-paragraph (b) of this paragraph;
- d) the price of the goods or services, specifying basic and additional charges (including charges necessary for the transportation, re-sending, and installation of the goods, etc.), and where the nature of the goods or services does not allow the calculation of the price in advance, a rule for calculating such price, and the information that additional charges may be payable;
- e) where applicable, the terms of payment, the conditions for the delivery of the goods or services, the terms of the fulfilment of obligations, and the procedures for handling consumers' claims by the trader;
- f) where applicable, a legal guarantee, a commercial guarantee, as well as the terms for the delivery of further services to the consumer;
- g) where applicable, the term of validity of the contract, and in the case of a contract of indeterminate duration, or if the term of validity of the contract is extended automatically, the conditions of withdrawal from the contract;
- h) where applicable, the obligations of consumers, the minimum time limit for the fulfilment of obligations, and the duration of effectiveness of such obligations;
- i) the functional characteristics of digital content, including, where applicable, the technical means used for its storage, as well as any information regarding the compatibility of the digital content with the hardware and software environment, of which the trader is or should have been aware;
- j) where applicable, the conditions for withdrawal from the contract.

2. In the case of a public auction, the information on a trader to be provided to a consumer, as provided for by paragraph 1(b) of this article and Article 10(1)(a) of this Law, may be replaced by the equivalent information on an auctioneer.

3. The information provided for by paragraph 1 of this article shall form an integral part of a contract signed between a trader and a consumer and it may be modified only with the agreement of the contracting parties.

4. The requirements determined by paragraph 1 of this article shall not apply to contracts which involve day-to-day transactions and which are to be performed immediately at the time of their conclusion.

5. As regards compliance with the information requirements laid down by this article, and Articles 6, 7 and Articles 9 to 12 of this Law, the burden of proof shall be on the trader.

6. If a trader has not complied with the requirements for the provision of information related to additional charges and/or the information determined by paragraph 1(d) of this article and Article (10)(1)(b) and (f) of this Law, additional charges shall not be payable by the consumer.

Article 6. Information requirements for the price of goods or services

1. A trader is obliged to ensure that a selling price and a unit price of the goods or services are indicated clearly. The unit price may not be indicated if it is identical to the selling price.

2. A price may not be indicated if:



a) the delivery of the goods is part of the service;

b) the goods are sold at a public auction;

c) a piece of art or an antique item is presented for sale.

3. The indication of a unit price shall suffice in relation to goods that are not packaged in advance and are weighed or measured in the presence of a consumer.

4. A unit price shall be indicated in any advertisement in which a selling price is indicated.

Article 7. Delivery of goods

1. A trader is obliged to deliver goods to a consumer without delay, but not later than 30 calendar days after signing a contract, unless otherwise provided for by the contract.

2. If a trader fails to fulfil an obligation within the time limit determined by paragraph 1 of this article and the contract signed between the trader and the consumer, the consumer shall determine an additional reasonable time limit for the trader to fulfil the obligation. In the case of failure to fulfil the obligation upon the expiry of the additional time limit, the consumer shall have the right to withdraw from the contract and claim damages in accordance with the procedures established by the legislation of Georgia.

3. An additional time limit provided for by paragraph 2 of this article may not be determined if it is clear that it will not have any consequence, or if the consumer has deemed the contract fulfilled after the timely delivery of goods.

4. If, due to unavailability, goods cannot be delivered to a consumer, a trader is obliged to immediately notify the consumer thereof.

Article 8. Risk of accidental loss of or damage to goods

1. During the delivery of goods to a consumer, the risk of accidental loss of or damage to the goods shall pass to the consumer, unless otherwise agreed between the parties.

2. If, according to a contract, the goods are to be carried to a consumer, the risk of accidental loss of or damage to the goods shall pass to the consumer from the moment the consumer or a third party authorised by him/her (except for a carrier) acquires physical possession of the goods.

3. If a carrier was commissioned by a consumer to carry the sold goods, the risk of accidental loss of or damage to goods shall pass to the consumer from the moment of the delivery of the goods to the carrier.

Article 9. Additional charges related to a contract

1. A trader may not impose on a consumer the payment of fees for the use of a payment instrument that is higher than the fee paid by the trader.

2. If a trader has indicated a telephone number for contact, the trader may not require that a consumer pay more than the rate determined for contacting the trader for communication. The said condition shall be without prejudice to the right of telecommunication services providers to charge for such services.

3. Prior to signing a contract, a trader shall seek the express consent of a consumer to any extra payment in addition to the remuneration agreed upon for the fulfilment of the trader's main contractual obligations. If the trader has not obtained the consumer's express consent the consumer shall be entitled to reimbursement of this payment despite the fact that the trader has not refused (has not denied the implied parameters) to remunerate such additional charges.



Chapter III Distance Contracts and Off-premises Contracts

Article 10. Obligation to deliver information to consumers

1. In the case of distance contracts or off-premises contracts, prior to signing contracts, a trader is obliged to provide a consumer with the following additional information, in a clear and comprehensible manner, in addition to the information provided for by Article 5 of this Law:

- a) the factual address of the trader, if it differs from the legal address, as well as the factual address and identity of the trader on whose behalf it acts;
- b) the price of the goods or services, including the taxes, and where the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated; all additional charges, where applicable, including delivery, transportation or postal charges, and where those charges cannot reasonably be calculated in advance, information on the fact that such additional charges may be payable. In the case of a contract of indeterminate duration or a contract containing a subscription for goods and services, the total price shall include the total costs per billing period. Where such contracts are charged at a fixed rate, the total price shall also mean the total monthly costs. Where the total costs cannot be reasonably calculated in advance, the manner in which the price is to be calculated shall be provided;
- c) the costs of using a means of distance communication for the conclusion of the contract, unless these costs are included in the basic rate;
- d) the conditions, time limit and procedures for exercising the right of withdrawal from the contract, where applicable, as well as the model withdrawal form to be completed in the case of withdrawal from the contract;
- e) information on the fact that a consumer will be unable to withdraw from the contract if, in accordance with Article 14 of this Law, withdrawal from the contract is impossible;
- f) information on the fact that a consumer will have to bear the cost of returning the goods in the case of withdrawal from a distance contract, if the goods, by their nature, cannot be returned by post;
- g) the existence and availability of the Code of Conduct;
- h) the terms of a financial guarantee to be provided or paid by a consumer at the request of a trader;
- i) information, where applicable, on procedures for lodging an out-of-court complaint and the redress mechanism.

2. The information provided for by this article shall form an integral part of the contract and may be altered only if the parties expressly agree thereto.

3. The requirements determined by this Chapter shall not apply to goods or services the price of which does not exceed GEL 30.

Article 11. Requirements for off-premises contracts

1. In the case of off-premises contracts, the information provided for by Article 10 of this Law shall be provided by a trader to a consumer in writing, in a clear and comprehensive manner, in the national language of Georgia, on paper, and where the consumer agrees, in another durable medium.

2. The trader is obliged to provide the consumer with a copy of the signed off-premises contract or a document confirming the conclusion of the contract, on paper, and where the consumer agrees, in another durable medium.

3. If the consumer makes a request to the trader with regard to the delivery of services before the expiry of the term for exercising the right to withdraw from the contract as provided for by Article 13(1) of this Law, such request shall be made in a durable medium.



Article 12. Requirements for distance contracts

1. In the case of distance contracts, a trader shall give to a consumer the information provided for by Article 10 of this Law through a means of distance communication, in a clear and comprehensive manner. If that information is provided in a durable medium, it shall be legible.
2. If a distance contract is concluded using an electronic means, the trader shall ensure that the consumer, when placing his /her order for goods and services, explicitly acknowledges that the placement of the order entails the obligation of the consumer to pay. If the trader has not complied with this provision, the consumer shall not be bound to pay.
3. Information on restrictions (if applicable) related to the delivery of goods or services, as well as information on means of payment, shall be placed on trading websites in a clear and comprehensive manner, not later than the start of the ordering process.
4. If a contract is concluded through a distance communication means that does not allow a trader sufficient time and space to provide information to a consumer, the trader is obliged, prior to signing the contract, to provide the consumer at least with the information on its identity (name), and the information provided for by Article (5)(1)(a), (b) and (g) and Article 10(1)(b) and (d) of this Law. The trader shall provide the consumer with other information related to signing the distance contract in accordance with paragraph 1 of this article.
5. Where a distance contract is concluded using a telephone communication means, a trader is obliged, at the beginning of the telephone communication, to provide a consumer with the information on its identity (name) or the identity of a person on whose behalf it acts, in addition to the information provided for by paragraph 4 of this article, and to notify the consumer about the commercial purpose of the telephone communication.
6. Within a reasonable time after signing a contract, and at the latest before the delivery of goods or the performance of services, a trader shall provide a consumer with confirmation of the conclusion of the distance contract in a durable medium. The relevant confirmation shall include:
 - a) the information provided for by Article 5(1)(a) to (h) and Article 10 of this Law, except where the trader has already provided the said information in a durable medium prior to the conclusion of the distance contract;
 - b) where applicable, the prior consent and approval of the consumer that the information provided for by Article 14(2)(1) of this Law has been provided to him/her.
7. Where a consumer desires the performance of services before the expiry of the term for exercising the right to withdraw from a contract as provided for by Article 13(1) of this Law, a trader shall require that the consumer make an express request.

Article 13. Right to withdraw from distance contracts and/or off-premises contracts

1. Except for cases determined by Article 14 of this Law, a consumer shall have the right to withdraw from a distance contract and/or an off-premises contract within 14 calendar days without giving any reason. This period shall start:
 - a) from signing the contract, in the case of service contracts;
 - b) from acquiring physical possession of goods by a consumer or a third party designated by the consumer (except for a carrier), in the case of sales contracts;
 - c) from acquiring physical possession of the last part of goods by a consumer or a third party designated by the consumer (except for a carrier), where an order for delivery in parts is made by the consumer;
 - d) from acquiring physical possession of the first part of goods by a consumer or a third party designated by the consumer (except for a carrier), in the case of a contract for the regular delivery of goods (with a specified periodicity).
2. A consumer shall not bear any cost (including the cost of delivery) in the case of withdrawal from a contract, except where the consumer has chosen a delivery service that is more expensive than the standard delivery service offered by a trader, or where the price of goods has reduced due to a use unrelated to the determination of the nature, characteristics and functionality of the goods. The consumer shall not be liable to cover the difference resulting from the diminished value of the goods where the trader has



failed to provide full information on the right of withdrawal from the contract as referred to by this Law.

3. Withdrawal from a distance contract by a consumer shall automatically cause the withdrawal of the consumer from an ancillary contract and the restoration of the original condition.

4. Within the period determined by paragraph 1 of this article, a consumer is obliged to send to a trader a filled in form or other express confirmation of the fact that the consumer has made a decision to return the goods. The burden of proof for exercising the right of withdrawal from a contract as referred to in this article shall be on the consumer.

5. A trader shall have no right, when filling in the form referred to in paragraph 4 of this article, to request from the consumer, in order to withdraw from a contract, information other than:

- a) the name, the actual address, the fax number, and the e-mail address specified by the trader
- b) the date of the order
- c) the date of receiving the order
- d) the name of the consumer
- e) the address of the consumer
- f) the signature of the consumer (if a paper form is filled in)
- g) the date of filling in the form.

6. A trader shall have the right to receive the form referred to in Article 4 electronically. Information on the receipt of the said form shall be immediately delivered to a consumer in a durable medium.

7. A consumer may exercise the right to withdraw from a contract within the period determined by paragraph 1 of this article if the notification on the withdrawal from the contract was sent by him/her to the trader before the expiry of this period. The burden of proof for exercising the right of withdrawal from the contract in accordance with this article shall be on the consumer.

8. If the information on the right to return goods or services referred to in this Law is not delivered by a trader to a consumer, the said goods or services may be returned within 12 months after the expiry of the period determined by paragraph 1 of this article.

9. If the information on the right to withdraw from a contract is delivered by a trader to a consumer within 12 months after the commencement of the period determined by paragraph 1 of this article, a seven-day period for returning the goods or services shall start from the receipt of such information.

Article 14. Exceptions regarding the withdrawal from a contract without specifying any grounds

1. The right to withdraw from a contract provided for by this Law shall not apply to contracts concluded in the fields of finance and insurance, governed by relevant normative acts, except for off-premises contracts and loan agreements secured by real estate, unless a consumer has started using such loan amount.

2. A consumer shall not have the right to withdraw from a contract if:

- a) a trader has delivered the service provided for in the contract in full, it has started to deliver the service with the prior consent of the consumer and with the acknowledgement from the consumer that he/she will lose his/her right of withdrawal once the contract has been fully performed by the trader;
- b) the contract provides that the price of the delivered goods or services depends on current fluctuations in the financial market that are beyond the control of the trader and that arose within the period determined by this Law for exercising the right of withdrawal from the contract;
- c) the delivered goods or services are made to the customer's specifications or are clearly personalised;
- d) the delivered goods are liable to deteriorate or expire rapidly;



- e) the goods were delivered to the consumer tightly sealed, were unsealed after delivery, and therefore the goods are not suitable for return for reasons of health protection or hygiene;
- f) goods which are, after delivery, according to their nature, inseparably mixed with other items of goods;
- g) the consumer has specifically requested a visit from the trader for the purpose of carrying out urgent repairs or maintenance in accordance with the terms of the contract. This restriction shall not apply to additional services other than those rendered during the visit;
- h) sealed audio or sealed video recordings or sealed computer software were unsealed after delivery;
- i) the contract was for newspapers and magazines or other kinds of periodical publications, with the exception of subscription contracts for the supply of such publications;
- j) the contract was concluded at a public auction;
- k) the contract was concluded for the provision of accommodation other than for residential purposes, the transport of goods, car rental services, catering or services related to leisure activities, if the contract provides for a specific date or period of performance;
- l) digital content was delivered to the consumer in a tangible medium, and the fulfilment of the contract has begun with the prior consent of the consumer, knowing that this would result in losing the right to withdraw from the contract;
- m) the contract provides for the delivery of alcoholic beverages, the price of which was agreed upon at the time of the conclusion of the sales contract, the delivery of which can only take place after 30 days, and the actual value of which is dependent on fluctuations in the market which cannot be controlled by the trader.

Article 15. Effects of withdrawal from a contract

1. The exercise of the right of withdrawal from a contract shall terminate the obligations of the parties under distance and off-premises contacts, and the parties shall be fully reimbursed for any performance thereof.
2. In the case of the exercise of the right of withdrawal from a contract, a trader shall:
 - a) fully reimburse all payments, and if applicable, the costs of delivery, without undue delay and in any event not later than 14 calendar days from being informed of the consumer's decision to withdraw from the contract. The trader shall not be required to reimburse supplementary costs if the consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by the trader;
 - b) reimburse through the same means of payment used by the consumer, except for the case where the consumer agrees to the use of other means of payment and no additional cost is incurred.
3. With regard to the exercise of the right of withdrawal from sales contracts, the trader may withhold reimbursement until it has received the goods back, or until the consumer has supplied evidence of having sent back the goods, whichever is earlier, unless the trader has offered to collect the goods itself.
4. In the event of withdrawal from a contract the consumer shall:
 - a) send back the goods to the trader or a third party designated by the trader, without undue delay and in any event not later than 7 calendar days from notifying the trader of the decision to withdraw from the contract, unless the trader has offered to collect the goods itself.
 - b) bear only direct costs related to the return of the goods, except when the trader agreed to bear these costs or failed to inform the consumer that such costs would arise in the case of the return of the goods. In the case of off-premises contracts, where the goods are delivered to the consumer's home, the trader shall, at its own expense, collect the goods, if by their nature such goods cannot normally be sent by post.



Article 16. Obligations of a trader

1. A trader is obliged to ensure that the goods delivered to a consumer comply with the conditions provided for by the contract.
2. The goods shall be deemed in compliance with the conditions provided for by the contract if they are adequate to the description provided by a trader to a consumer and have the same features as the specimens of the goods sent by the trader to the consumer.
3. In the absence of the description to be provided by a trader to a consumer, the goods shall be deemed in compliance with the conditions provided for by the contract if they serve the purpose communicated by the consumer to the trader when signing the contract and if the trader agrees thereto.
4. If a consumer fails to notify a trader of the purpose for which he/she intends to use the goods, such goods shall be deemed in compliance with the conditions provided for by the contract if they serve the purpose they are generally intended for.
5. If a general purpose for using the goods cannot be identified, such goods shall be deemed in compliance with the conditions provided for by the contract if they have the features of the same goods and operate as the same type of goods, the reasonable expectation of which a consumer might have had based on the nature of the goods and public statements made by the trader, manufacturer, its agent or another person responsible for the placement of the goods on the market, including through the use of advertisements and/or labels.
6. Any defects caused by the improper installation of the goods by the trader or under its responsibility shall be in equilibrium with the non-compliance (the defect) of the goods with the conditions provided for by the contract, if the installation of the goods was part of the contract. This provision shall also apply to goods to be assembled or installed by the consumer, and that have been improperly assembled or installed due to the lack of instructions for installation.
7. For the purposes of this article, goods shall not be deemed defective if, at the moment of concluding a contract, a consumer had known or should have known that the goods were defective, or if the defect of the goods was caused by the material delivered by the consumer.
8. A trader shall not be held responsible for any public statement about goods or services if the trader proves that:
 - a) it did not have nor could have had any information about such statement;
 - b) the information given in the statement was changed before the conclusion of the contract;
 - c) such statement could not have affected the purchase of the goods or services by the consumer.

Article 17. Consumer rights

1. If the goods turn out to be defective, a consumer shall have the right to request from a trader that it eradicate the defect (repair or replace the goods free of charge, or reduce the price) or withdraw from the contract.
2. The right to repair and replace the goods is a top priority right of a consumer. A consumer shall have the right to request that a trader repair or replace the goods free of charge, except for the case where it is impossible to do so due to the nature of the goods, or where it requires disproportionately or unreasonably high costs.
3. Goods shall be repaired or replaced within a reasonable time in order to not adversely affect a consumer, taking into account the nature and the intended purpose of purchasing such goods.
4. The repair or replacement of goods free of charge shall include the payment of all costs (including postal charges, expenses related to the work force and materials) necessary to ensure the compliance of the goods with the conditions provided for by the contract.
5. A consumer shall have the right to request the reduction of the price of goods or to withdraw from a contract if one of the



following conditions exist:

- a) the goods cannot be repaired or replaced, in accordance with paragraph 3 of this article;
- b) the trader failed to repair or replace the goods in a reasonable time and the consumer has lost interest in the performance of the contract;
- c) the consumer will be adversely affected if the trader repairs or replaces the goods.

6. In the case of withdrawing from a contract, a consumer shall have the right claim damages as a result of the failure to perform the contract, in accordance with the procedure established by the legislation of Georgia.

7. A consumer shall not have the right to withdraw from a contract if the defects of the goods goods are insignificant.

8. When determining the level of non-proportionality or inadequacy of costs, the following conditions shall be taken into account:

- a) the price of goods or services in the case of their compliance with the conditions provided for by the contract;
- b) the degree of non-compliance with the conditions provided for by the contract of goods or services;
- c) alternative means of rectifying defects of goods without adversely affecting a consumer.

Article 18. Rights arising from a service contract

1. A trader is obliged to provide a consumer with services in accordance with the conditions provided for by the contract.

2. When a time limit provided for by the contract is violated or a defect is identified, a consumer shall provide a trader with an additional reasonable period for providing services/eradicating the defect, except for the case where it is impossible to do so due to the nature of the services, or where there is an issue of non-proportionate and unreasonably high costs. Non-proportionate or unreasonably high costs shall be determined in accordance with the procedure established by Article 17(8) of this Law.

3. In the case of the expiry of an additional time limit without providing the services/eradicating the defect, the consumer shall have the right to:

- a) offer the provision of the services or the eradication of the defect to another person at the expense of the trader;
- b) request an adequate reduction in the fee for the services;
- c) withdraw from the contract and claim damages in accordance with the procedure established by the legislation of Georgia.

4. The determination of the additional time limit provided for by paragraph 2 of this article shall not be mandatory when it is evident that it will have no effect, or if the consumer deemed the contract performed upon the delivery of the goods on time.

5. If a trader fails to start providing services on time, or the process of providing services is delayed without any grounds, which makes it impossible to provide services within the determined time limit, the trader shall not have the right to claim for damage incurred during the service, or for compensation for services rendered, if the consumer has lost interest with regard to the partial performance of the contract.

Article 19. Commercial guarantee

1. A trader is obliged to fulfil a commercial guarantee issued by it, including the terms and conditions provided for the promotion of certain goods or services.

2. A commercial guarantee shall include:

- a) a statement that the commercial guarantee shall not restrict the consumer rights determined by this Law;



b) well-defined guarantee conditions, including the duration and jurisdiction of the commercial guarantee and information required for its appeal, in particular the limitation period of the claim, and the name and address of the trader.

3. Upon the request of a consumer, a commercial guarantee shall be delivered to him/her in writing, or in another acceptable form.

4. The violation of the requirements determined by paragraphs 1-3 of this article shall not affect the validity of a commercial guarantee.

5. The terms and conditions of a commercial guarantee restricting the consumer rights determined by law shall be void.

Article 20. Burden of proof and time limits in the case of non-compliance with a contract

1. If a consumer detects a defect(s) in goods within 6 months after acquiring the physical possession of the goods, the goods shall be deemed defective at the time of delivery if the nature of goods or the defect(s) allow so, unless proved otherwise. In this case, the burden of proof shall be on the trader. If the consumer detects a defect(s) in goods after 6 months from acquiring the physical possession of the goods, the burden of proof for the defective goods at the time of delivery shall be on the consumer.

2. A consumer shall have the right to enjoy the rights referred to in Articles 17 to 19 of this Law if a defect(s) in goods is/are detected within 2 years after the delivery of the goods to the consumer.

3. Paragraph 2 of this article shall not apply to the purchase of derived products. When purchasing such goods, in the case provided for by paragraph 2 of this article, the responsibility of the trader shall be the subject of agreement between the parties.

Chapter V Unfair Standard Terms of a Contract

Article 21. Validity of standard terms of a contract

1. A standard term of a contract with a consumer shall be determined by a trader in advance and shall be for the intended purpose and multiple application, which the consumer shall be aware of.

2. The burden of proof that a standard term was individually agreed between the parties shall be on a trader.

3. The standard terms of a contract offered to a consumer in writing shall be in simple language which is understandable for the consumer. A term of a contract that can be interpreted ambiguously shall be interpreted in favour of the consumer.

Article 22. Invalidity of unfair standard terms of a contract

1. Unfair standard terms of a contract, if any, shall be deemed invalid if they contravene the principles of reliability and good faith, and due to ambiguity, cause an unjustified imbalance of the rights and obligations provided for by the contract to the detriment of the consumer. Only the subject of the contract or the compliance of the subject of the contract with reciprocal performance shall not be deemed non-compliance.

2. When assessing whether or not the standard terms of a contract are fair, the subject of the contract, the circumstances existing at the time of concluding the contract that caused the necessity of including such terms in the contract, and other terms of the contract shall be taken into account. When assessing whether or not the said terms of the contract are fair, neither the main subject of the contract nor the compliance of the price of the goods or services to be delivered and compensation therefor shall be taken into account.

3. The following unfair standard terms of a contract shall be void:

a) a provision that excludes or restricts the responsibility of the trader due to the death of the consumer, or damage to the health or other kind of injury caused by the serious negligence of the trader, if such circumstance was the result of the action or omission



of the trader;

- b) a provision that unfairly excludes or restricts the possibility of the consumer to file a claim against the trader or a third party due to the partial or improper fulfilment of the obligations of the trader under the contract, or a provision that excludes the possibility of the mutual offset of claims;
- c) a provision that obligates the consumer to fulfil the terms of the contract when the fulfilment of obligations by the trader is caused by the existence of conditions that depend on his/her intention;
- d) a provision that entitles the trader to withhold an amount paid by the consumer if the consumer refuses to sign the contract or to fulfil an obligation under the contract, if the withdrawal from the contract is on the initiative of the trader, and the amount which the consumer obtains as a result of the performance does not comply with the said amount;
- e) a provision that relieves the trader from the obligation to determine an additional time limit for the consumer to fulfil his/her obligations;
- f) a provision that imposes an obligation on the consumer to pay an amount which is higher than the amount of damage caused by the non-fulfilment of an obligation, or entitles the trader to request that the consumer pay a disproportionately high amount in order to compensate for expenses incurred;
- g) a provision that entitles the trader to solely withdraw from the contract, where the consumer is not given the possibility to exercise the same right, or a provision that entitles the trader to withhold any amount paid by the consumer for services that have not been rendered by the trader, when the trader has withdrawn from the contract, unless the provision stipulates an obligation provided for by law;
- h) a provision that entitles the trader to withdraw from a contract of indeterminate duration without notifying the consumer beforehand, within a reasonable time limit, unless there are serious grounds for withdrawing from the contract;
- i) a provision that extends, by default, the validity of a contract for a terminable period without the consent of the consumer, or provides for an unreasonably short period for the consumer to express his/her will as regards the termination or extension of the validity of the contract;
- j) a provision by which the trader establishes a disproportionately long or short period for a consumer to perform certain work, or by which the trader establishes disproportionately long periods other than those provided for by the norms of law for the fulfilment of his/her obligations, or by which the time limits are determined in a vague manner;
- k) a provision that binds a consumer of which he/she was not aware before the conclusion of the contract;
- l) a provision that entitles the trader to solely change the terms of the contract, without reasonable grounds provided for by the contract, unless it is a contract of indeterminate duration and the trader notifies the consumer of the change of the terms of the contract within a reasonable time, and the consumer has the right to withdraw from the contract;
- m) a provision that entitles the trader to solely change the features/characteristics of the goods or services without any serious grounds;
- n) a provision that entitles a trader to determine the price of the goods or services or to increase the price at the time of delivery of the goods or services so as not to allow the consumer to withdraw from the contract, if the final price of the goods or services significantly exceeds the price determined at the time of concluding the contract, unless price indexation is permitted by law and is performed using a preliminarily determined methodology;
- o) a provision that entitles a trader to determine whether the goods or services comply with the conditions provided for by the contract, or to solely interpret any term of the contract;
- p) a provision that restricts the obligation of the trader to ensure the fulfilment of obligations assumed by its agent or to make the assumed obligations subject to formal requirements;
- q) a provision that obligates the consumer to fulfil obligations under the contract, whether or not the trader fulfils its obligations, unless the consumer had to fulfil his/her obligations in advance, or a provision that restricts the right of the consumer granted by law to refuse the fulfilment of obligations on other grounds;
- r) a provision by which a trader transfers the rights and obligations provided for by the contract, which may cause the



performance guarantee to lose its effect, and with regard to which the consumer did not give his/her consent;

s) a provision that restricts or excludes the right of the consumer to legal remedy, including a provision that obligates the consumer to exercise his/her rights in arbitration proceedings, which is not governed by the legislation of Georgia, or restricts the consumer to obtain evidence, or imposes a burden of proof on the consumer when, in accordance with the law, the burden of proof is on the other party to the contract.

4. The invalidity of unfair standard terms of a contract shall not entail the invalidity of other parts of the contract unless the unfair standard term is a material part of the contract and where the contract can be signed without the invalid terms of the contract.

Article 23. Exceptions relating to the invalidity of the standard terms of a contract

1. In the case of a financial services contract of indeterminate duration, the provision determined by Article 22(3)(h) of this Law shall not be deemed void if there are reasonable grounds for withdrawal from the contract and if the trader immediately notifies the consumer thereof.

2. In the case of a financial services contract, a standard term shall not be deemed void according to which, in the case of reasonable grounds, the trader retains the right to change the interest rate or the amount of commission related to financial services, without notifying the consumer in advance, if the trader notifies the consumer of the changes at the earliest opportunity, and the consumer has the right to immediately withdraw from the contract.

3. The provisions provided for by Article 22(3)(h), (l) and (n) of this Law shall not be deemed void in transactions related to transferable securities, financial instruments and other transactions concluded in relation to goods or services in which the price is related to the fluctuation of quotations or indices set by a stock exchange or to a financial market rate which cannot be controlled by the trader, nor to foreign currency sales contracts, travel cheques, or international money transfers denominated in a foreign currency.

Chapter VI Unfair Commercial Practices

Article 24. Prohibition of unfair commercial practices

1. Unfair commercial practices shall be prohibited.

2. Commercial practices shall be deemed unfair if they contravene the requirements of good faith and have or may have a negative effect on the behaviour of an average consumer in relation to goods or services that have been delivered to or are intended for him/her, or may have an essential effect on the economic behaviour of an average member of a group of consumers, when the commercial practice is intended for a specified group of consumers.

3. In order to deem a commercial practice unfair, which negatively affects the economic behaviour of only a group of consumers which is particularly vulnerable due to their mental or physical abilities and/or ages, the economic behaviour of an average member of a group of consumers shall be taken into account. A commercial practice shall not be deemed unfair if the information provided in an advertisement is exaggerated or is such information as should not be understood literally.

4. A misleading commercial practice or an aggressive commercial practice shall be deemed unfair commercial practice.

Article 25. Misleading commercial practices caused by actions

1. In all cases, the following misleading commercial practices caused by actions shall be deemed unfair and prohibited:

a) the placement of a mark of trustworthiness, a mark of quality or other similar marks without a relevant authorisation granted by the legislation of Georgia;

b) a false statement that the Code of Conduct has been recognised by a public entity or other organisation;



- c) a statement that a trader (its commercial practice) or goods or services have gained approval, a permit, a licence, an authorisation, an accreditation, etc., from a public authority or a private person, or a statement that the compulsory terms required for obtaining such approval, permit, licence, authorisation, accreditation, etc., have been fulfilled, unless already completed;
- d) offering goods or services at a special price, without communicating important information, based on which a trader presumes that it cannot deliver the goods or services, or similar goods or services by itself or through another trader in such a period, in the quantity and at the price relevant to the said goods or services, the scale of advertising and the offered price (misleading advertising);
- e) offering the purchase of goods or services at a special price followed by the refusal to show the advertised goods to the consumer or to receive an order from the consumer, or to deliver the goods to the consumer within a reasonable time limit, and/or a demonstration of defective specimens of the goods with the intention to promote the sale of other goods;
- f) making a false statement that the goods or services are available and/or special conditions apply only for a short period of time, with a view to forcing a consumer to make an immediate decision without having sufficient time and opportunity to make an informed decision;
- g) making a statement or creating an impression that goods or services prohibited by law may be sold;
- h) claiming to a consumer that the possibility to exercise a right granted by law is by virtue of the goodwill of the trader and a special condition of the offer;
- i) making a false statement about the type and scale of risk related to the personal safety of the consumer or his/her family if the consumer refuses to purchase the goods or services;
- j) designing, managing or promoting the development of a pyramid scheme, where a consumer expects to receive the most financial benefit not from the sale or use of the goods or services, but from the involvement of other consumers in the pyramid scheme;
- k) making a statement that a trader intends to terminate trading or change location where this is not true;
- l) making a false statement that the goods or services may cure a disease or a dysfunction or correct a developmental defect;
- m) the dissemination by the trader of materially incorrect information on market conditions or on the ability to find goods or services in order to persuade a consumer to purchase the goods or services on less favourable terms than those on the market;
- n) announcing a competition or promising a prize in public without the intention of giving any prize or its equivalent;
- o) making a statement that goods or services are offered free of charge, where a consumer has to pay additional charges in addition to the necessary costs for obtaining the goods or services and the costs for the transportation of the goods;
- p) including in marketing material an invoice/waybill or other document for mandatory payment which creates a false impression on the consumer that he/she has ordered the goods or services, whereas in fact he/she has not;
- q) making a false statement or creating a false impression that the trader does not act for trading, industrial, crafting or occupational purposes, or making deceptive attempts to give the impression that he/she is a consumer;
- r) creating a false impression on a consumer that after-sale services are available in another country;
- s) at the request of a trader, the advertising of goods or services in mass media in such a way that the consumer is not able to identify the advertisement by any content, image or voice therein;
- t) the intentional advertisement of goods or services that is similar to the goods or services of another manufacturer, as if the goods or services had been manufactured by the same manufacturer, thus misleading the consumer;
- u) a statement that the goods or services can bring success in prize winning games;
- v) the provision of after-sales consumer services in languages different from those used before making the purchase transaction, other than the national language of Georgia, without providing the consumer with such information in an understandable manner before the conclusion of the purchase transaction.



2. A commercial practice shall be deemed misleading as a result of an action of a trader if information provided to a consumer is false, or deceives or is likely to deceive the consumer (even when the information referred to in one or more sub-paragraphs of paragraph 3 of this article is factually correct), and in either case causes or is likely to cause the consumer to conclude a transaction which he/she would not have concluded otherwise.

3. The information referred to in paragraph 2 of this article shall include:

- a) the following features and basic characteristics of goods or services: availability, benefits, risks, execution, composition, accessories, after-sales customer assistance and complaint handling procedures, the place, date and method of manufacture, delivery, fitness for purpose, quantity, size, weight, specification, geographical or commercial origin, shipment and storage terms, results to be expected from use, as well as the results of tests or checks, and associated material features;
- b) the scope of responsibility of the trader related to the motives for the commercial practice and the nature of the sales process, as well as any information related to the direct or indirect sponsorship of the goods or services;
- c) the price and the appropriate method of price calculation, as well as conditions for delivering the goods or services;
- d) services related to the goods or services, and the necessity to replace or repair part of the goods;
- e) information concerning the trader or its agent, including identification data, status, approval, qualifications, affiliation or connection to industrial, commercial or intellectual property rights, as well as other rights related to industrial or commercial practices;
- f) information on consumer rights, including information on the return, replacement and repair of goods, the possibility and form of filing a claim, as well as information related to expected risks.

4. The marketing of the goods or services, including comparative advertising, shall be deemed a misleading commercial practice caused by the action of a trader where it causes confusion in relation to the trade marks, trade names and other distinguishing marks of a competitor.

5. A commercial practice caused by the action of a trader shall be deemed misleading where the trader states that it is a signatory to the Code of Conduct and is subject to the requirements laid down by the Code of Conduct, whereas in fact it has violated the rules of conduct provided for by the said Code of Conduct.

Article 26. Misleading commercial practices caused by omission

1. A commercial practice resulting from the omission of a trader shall be deemed misleading when, in a specific case, taking into account all the factual circumstances and limited communication means, the actual information does not contain the material necessary for an average consumer to make an informed decision, and based on which the consumer concludes or may conclude a transaction which he/she would not have concluded had he/she been made aware of such information.

2. A commercial practice resulting from the omission of a trader shall be deemed misleading when the material information referred to in paragraph 1 of this article is delivered by the trader to a consumer in a vague, uncertain or untimely manner, or where commercial intent can be identified in the commercial practice, or be proven by circumstances, and based on which the consumer concludes or may conclude a transaction which he/she would not have concluded otherwise.

3. Where the medium used to communicate a commercial practice imposes limitations of space or time, in deciding whether a trader's omission has led to misleading a consumer, all these limitations and any measures taken by the trader to make the information available to the consumer by other means shall be taken into account.

4. In the case of an invitation to purchase, the following information shall be deemed material (if not already apparent from the context):

- a) the main characteristics of the goods or services, taking into account the peculiarities of the goods or services and of the information medium;
- b) the identity (name) of the trader, the factual address and identification data, as well as the name, the factual address and identification data of the trader's agent;



- c) the full price of the goods or services, indicating the main and additional charges (including freight, delivery, installation charges, etc.), and if the nature of the goods or services does not allow the setting of the main price in advance, the rule for calculating the main price; where the additional charges cannot be calculated in advance, information that such additional charges may be payable;
- d) the arrangements for payment, delivery of the goods and services, and the performance of obligations, as well as procedures for the handling by the trader of complaints from consumers;
- e) where applicable, the right to withdraw from a contract.

5. The non-fulfilment of the obligation to deliver information provided for by Articles 5, 6 and Articles 9 to 12 of this Law shall be also deemed a misleading commercial practice resulting from omission.

Article 27. Aggressive commercial practices

1. In all cases, the following aggressive commercial practices shall be deemed unfair and are prohibited:

- a) where the impression is created that a consumer will not be able to leave the business premises of the trader until he/she signs a contract;
- b) where a trader refuses to leave a consumer's place of residence, against the consumer's will, except where the presence of the trader in the place of residence of the consumer is necessitated by the fulfilment of an obligation provided for by the contract;
- c) where undesirable offers are systematically made to a consumer by telephone or other means of distance communication, except when it is necessary for the fulfilment of an obligation provided for by the contract;
- d) where children are directly and unduly affected by advertisements to purchase the advertised goods or services, or where parents or other adults are persuaded to purchase the same goods or services for children;
- e) where a consumer is deceived that the practice or the life of a trader will be threatened if the consumer does not purchase the goods or services;
- f) where false impressions are created that a consumer has won, or after performing certain actions, will win a prize or receive some other similar benefits, whereas there is no prize or other similar benefits, or where the performance of such actions is requested as a result of which the consumer may win a prize or other similar benefits, but such performance of the actions by the the consumer requires the payment of money or other additional charges payable by the consumer;
- g) where a consumer willing to receive insurance compensation is requested to submit a document which is not required for determining the right of the consumer to claim the compensation, or where the correspondence of a consumer is ignored in order to limit his/her right;
- h) where such goods or services are delivered that have not been ordered by the consumer and the payment of the price of such goods or services is requested in full or in part, or where the delivered goods or services are different from those ordered by the consumer, without the possibility of returning such goods and services restored in their initial condition at the expense of the trader.

2. A commercial practice shall be deemed aggressive if, in view of all the circumstances, by harassment, coercion, including the use of physical force, or undue influence, it significantly impairs or is likely to significantly impair the average consumer's freedom of choice or conduct with regard to the goods and services, and thereby causes the consumer or is likely to cause the consumer to conclude a transaction that he/she would not have concluded otherwise.

3. In determining whether a commercial practice uses harassment, coercion, including the physical force, or undue influence, the following shall be taken into account:

- a) the period of time, the place, the persistence, the nature and the intensity of the practice;
- b) the use of threatening or abusive language or behaviour;
- c) the exploitation by the trader of any specific misfortune or circumstance of such gravity as to impair the consumer's judgement



in order to influence the consumer's sound decision with regard to the goods or services;

d) the attempt of the trader to artificially create obstacles that do not arise from the contract in order to impede the exercise of the rights of the consumer, including the right to withdraw from the contract or to choose other goods or services, or another trader;

e) any threat to take any action that cannot legally be taken.

Chapter VII Institutional Guarantees for the Protection of Consumer Rights

Article 28. Mechanisms for the protection of consumer rights

1. In the case of a violation of this Law, a consumer shall have the right to apply to the Legal Entity under Public Law called the Georgian National Competition Agency ('the Agency'), or an authorised body governing the relevant field. Articles 29 to 36 of this Law shall not apply to an authorised body governing the relevant field. When exercising the powers provided for by this article, an authorised body governing the relevant field shall be guided by the procedures established by the same body.

2. The right provided for by paragraph 1 of this article shall not deprive a consumer of the right to apply to a court or for arbitration and/or to resolve a dispute through mediation.

Article 29. Powers of the Agency in the field of the protection of consumer rights

1. In the territory of Georgia, the protection of consumer rights established by this Law, the prevention of a violation of consumer rights and the facilitation of the restoration of violated rights, the identification of a violation of consumer rights and the appropriate response mechanisms to violations provided for by this Law, shall be carried out by the Agency and an authorised body governing the relevant field.

2. The powers of the Agency shall not apply in the fields provided for by the Organic Law of Georgia on the National Bank of Georgia, and the Law of Georgia on Activities of Commercial Banks, Laws of Georgia on Investment Funds, on Insurance, on Electronic Communications, on Broadcasting and on Energy and Water Supply, nor in fields where the protection of consumer rights is ensured by an authorised body determined by the relevant legislation.

3. If an application was submitted to the Agency on the alleged violation of consumer rights in the field provided for by paragraph 2 of this article, the Agency shall forward the said application to a respective authorised body and notify the applicant thereof.

4. To exercise the powers granted by the legislation of Georgia, the Agency shall:

a) examine the fact of an alleged violation of consumer rights established by this Law, which violation caused or is likely to cause a violation of the rights of a group of consumers;

b) with a view to investigating a case, request from an applicant and/or a trader information (including confidential information) necessary for the Agency to exercise appropriate powers;

c) be entitled to submit a motion to a court requesting from a trader that it deliver appropriate information if the trader has not delivered information related to the case;

d) invite parties/interested persons in order to obtain explanations;

e) convene advisory meetings, where appropriate, with representatives of public agencies, experts and/or other persons;

f) develop recommendations regarding measures to be taken for the improvement of the condition of the protection of consumer rights in Georgia;

g) in the case of the identification of the fact of a violation during the investigation of a case, determine a reasonable time limit for a trader to restore a violated right, and/or request that it terminate, within a determined period, an action deemed to be a violation



and/or an action prohibited by this Law;

h) impose a penalty on a trader in the case of the failure to execute or the improper execution of a decision made by the Agency or the basis of an investigation of a case;

i) when the standard terms of a contract are deemed unfair, be entitled to prohibit traders or an association of traders acting in the same economic sector, from using the same unfair standard terms or recommending using the same;

j) be entitled to commission an expert examination, where appropriate;

k) monitor the execution of the decisions taken by the Agency;

l) record and analyse statistical data on the facts of violations of consumer rights;

m) take measures regarding issues related to consumer rights in order to raise public awareness;

n) cooperate with public authorities, local authorities, international organisations and representatives of civil society on matters related to the protection of consumer rights.

Article 30. Grounds for investigating alleged violations of consumer rights by the Agency

1. An applicant shall have the right to submit an application to the Agency regarding an alleged violation of consumer rights.
2. The Agency shall start the investigation of an alleged violation of consumer rights if there is information that the action of a particular person(s) violates or is likely to violate the right of a group of consumers.
3. The Agency shall start an investigation of an alleged violation of consumer rights on the basis of a reasonable doubt that the violation of the requirements of this Law damages or is likely to damage the interests of a group of consumers.

Article 31. Time limit for applying to the Agency

1. The time limit for applying to the Agency in the case of a violation of the requirements of this Law shall be not later than 2 years after such violation.
2. The commencement of an investigation of a case by the Agency shall constitute grounds for the suspension of the time limit referred to in paragraph 1 of this article.

Article 32. Procedures for investigating a case by the Agency and the period of investigation

1. The Agency shall notify an applicant of the response to the application or on the absence of the grounds provided for by Article 30(2) and (3) of this Law within 10 working days after the submission of the application.
2. The Agency shall investigate a case within 1 month after taking a decision on the commencement of the investigation of a case.
3. The investigation of a case may last for a period not exceeding 3 months, taking into account its significance and complexity.
4. The period provided for by paragraph 1 of this article and/or the period of investigation of a case shall be suspended if additional information is requested and/or an expert examination is commissioned in relation to the case.
5. The Agency shall, within 3 days after making a decision on the commencement of the investigation of a case, inform the trader and determine a period of not less than 5 working days for the trader to present its position regarding the alleged violation of consumer rights.
6. The Agency shall be entitled to invite parties/interested persons when investigating a case to obtain explanations, as well as to



convene advisory meetings.

7. Where appropriate, during the investigation of a case, the Agency shall be entitled to make a decision on commissioning an expert examination if an expert opinion is required to make a justified decision on the case. If the fact of violation of consumer rights is confirmed, the trader shall fully compensate the expert examination fees.

8. During the investigation of a case by the Agency with regard to unfair commercial practices, and when there is an urgent need, and any delay may cause the destruction of the data necessary for the case or make it impossible to obtain the data, the Agency shall be entitled to apply to a court with a motion to temporarily suspend a certain action of a trader, on the grounds that the failure to take such measure would make it more difficult or impossible to investigate the case, restore the violated right or exercise the disputed right, and would cause irreparable and direct damage, or such damage as cannot be compensated by imposing an obligation on the trader to compensate the damage.

Article 33. Decision of the Agency

1. As a result of the investigation of a case, the Agency is obliged to make a decision with regard to the confirmation or rejection of the rights of a group of consumers within the period determined by Article 32 of this Law.

2. In the case of the confirmation of a violation of the rights of a group of consumers, the Agency shall determine a period for a trader to meet one of the following or both of the conditions given below:

- a) the restoration of a violated right;
- b) the termination of an action prohibited by this Law.

3. A decision made by the Agency as a result of the investigation of a case shall be sent to a trader within 3 working days.

4. A trader shall deliver information to the Agency regarding the measures taken to restore the rights violated by it and/or to terminate the action prohibited by this Law not later than 5 working days from the expiry of the time limit determined by the Agency.

5. For the failure to execute or for the improper execution of a decision of the Agency in accordance with paragraph 2 of this article and within the determined period, the Agency shall impose a penalty on a trader in accordance with Article 34 of this Law.

6. A decision of the Agency shall include:

- a) the details of the trader, whose case was under investigation;
- b) the description of the facts;
- c) the information regarding the case received and processed by the Agency;
- d) the justified assessment of the Agency;
- e) the actions to be performed by the trader and an appropriate period required for the eradication of the violation of the rights of the group of consumers, the restoration of the violated right and/or the termination of the action prohibited by this Law.

7. The Agency shall publish the full text of its decision on its official website within 3 working days after the decision is made, including the grounds for making such decision, except for confidential information as determined by law.

8. Before the investigation of a case is completed, the Agency shall review possible obligations offered by the trader in order to eradicate the alleged violation. If the Agency considers that the fulfilment of possible obligations assumed by the trader eradicates the risk of the alleged violation, it shall agree on possible obligations and shall terminate the investigation of the case without the assessment of the fact of the alleged violation of law.

9. In the case provided for by paragraph 8 of this article, the Agency shall conclude a written contract with the trader on the terms and for the period required for the fulfilment of obligations. Information on the matter shall be published on the official website of the Agency.



10. The Agency shall be entitled to resume the investigation of a case, the period of which shall not exceed one month, if:

a) the trader fails to fulfil or improperly fulfils the assumed obligations within the period determined in the written contract concluded between the trader and the Agency;

b) the assumed obligations are based on false, incorrect or misleading information provided by the trader.

11. The rules and procedures for investigating a case shall be developed and approved by the Agency.

Article 34. Penalties

1. When a trader fails to execute or improperly executes a decision of the Agency within the period determined by the Agency, the trader shall be penalized. The amount of penalty shall not exceed 2 % of the annual turnover of the trader for the preceding financial year.

2. If, due to the date of the establishment of the trader who has been fined, the annual turnover of the preceding financial year cannot be calculated, the amount of penalty shall be determined from the turnover calculated according to the period from the establishment of the trader to the time when the fine was imposed.

3. The amount of penalty shall be determined taking into account the nature, the gravity and the duration of the violation.

4. If, during a period of 12 months, a trader commits a violation repeatedly, he/she shall be subject to a penalty which is double the amount of the previously imposed penalty.

5. The imposition of the penalty shall not release the trader from the obligation to execute the decision of the Agency.

6. The trader shall pay the penalty within 1 month from the imposition of the penalty.

7. The penalty shall be paid to the State Budget of Georgia.

8. If the penalty is not paid, its payment shall be enforced immediately in accordance with the procedures established by the legislation of Georgia.

Article 35. Appealing a decision of the Agency

A decision of the Agency may be appealed in a court in accordance with the procedures established by the legislation of Georgia, within 30 calendar days after such decision was made. The appeal of a decision of the Agency on the identification of a violation shall not deprive the Agency of the right to exercise powers provided for by Article 33(5) of this Law and to impose a relevant penalty on a trader.

Article 36. Annual report on the activity of the Agency

Annually, not later than 1 May, the Agency shall submit to the Parliament of Georgia and the Government of Georgia a report on its activities carried out in the field of the protection of consumer rights. The report shall be made public and shall be published on the official website of the Agency.

Article 37. Participation of non-entrepreneurial (non-commercial) legal entities in the protection of consumer rights

Non-entrepreneurial (non-commercial) legal entities shall be entitled to participate in the protection of consumer rights, in particular in the development and implementation of the policy of the protection of consumer rights, including to:

a) participate in the preparation of an appropriate application in the case of a violation of the rights of a group of consumers



determined by this Law;

b) cooperate with associations of entrepreneurs and relevant public authorities in order to protect the rights of groups of consumers;

c) facilitate the resolution of a dispute through mediation;

d) participate in information campaigns and educational programmes related to issues of raising of the awareness of consumers.

Chapter VIII Transitional and Final provisions

Article 38. Transitional provision

By 1 October 2022, the Agency shall develop and approve a relevant legal act provided for by Article 33(11) of this Law.

Article 39. Entry into force of the Law

1. This Law shall enter into force from 1 June 2022 except for Articles 28, 29(2) to (4) and Articles 30 to 36 of this Law.

2. Articles 28, 29(2) to (4) and Articles 30 to 36 of this Law shall enter into force from 1 November 2022.

President of Georgia

Salome Zurabishvili

Tbilisi,

29 March 2022

No 1455-VIIIობ-ႂოႃ

Article 1. Purpose of the Law

The purpose of this Law is to determine the legal basis for consumer rights and to facilitate the development of a culture of behaviour based on respect for consumers.

Article 2. Scope of the Law

1. This Law determines general principles for the protection of the rights of consumers who establish legal relations with a trader with a view to consuming the trader's goods or services for private purposes.

2. This Law also applies to mixed-purpose contracts, in which private consumption interests are prioritised over commercial interests. Any ambiguity related to the priority of interests in such contracts shall be clarified for the benefit of a consumer.

3. For the protection of consumer rights, special laws governing respective fields shall be prioritised unless they contravene the



consumer rights established by this Law. This stipulation may not be interpreted in such a manner as to cause the duplication of sanctions provided for by various normative acts for the same violation.

4. This Law shall not apply to contracts under which a trader acts within the official powers granted by an administrative contract provided for by Article 2 (1)(g) of the General Administrative Code of Georgia, except for cases where such contract is signed between a trader and a consumer, in which the commercial interests of the trader are prioritised.

Article 3. Inadmissibility of discrimination in the relationship with consumers

1. It shall be inadmissible to discriminate against consumers when publicly offered goods or services are made available to or delivered to consumers.

2. The unequal treatment of persons with a legal purpose, where the mechanism for achieving such purpose is necessary and proportionate, shall not be deemed discrimination.

3. If a person deeming himself/herself discriminated against presents such facts that create the presumption of discrimination, a trader shall bear the burden of proof.

4. If the fact of discrimination against the consumer is confirmed, he/she shall have the right to claim property and non-property (non-pecuniary) damages.

Article 4. Definition of terms

For the purposes of this Law, the terms used herein shall have the following meanings:

a) applicant any person applying to the Legal Entity under Public Law called the Georgian National Competition Agency, or to an authorised agency determined by Article 28 of this Law, regarding the violation and/or alleged violation of consumer rights, whether or not his/her immediate interests were damaged;

b) selling price a final price per unit or per specified quantity of goods or services, including value added tax and other taxes;

c) ancillary contract a contract by which a consumer acquires the goods or services related to a distance contract or an off-premises contract, and where the goods or services are provided by the trader or by a third party on the basis of an agreement between that third party and the trader;

d) distance contract a contract signed between a trader and a consumer using only one or more distance communication means, under an organised distance sale or service provision scheme, which does not require the physical presence of the consumer and the trader. A contract shall not be deemed a distance contract if a consumer and a trader have negotiated the terms of the contract at business premises and concluded the contract using distance communication means;

e) unit price the final price of goods or services, including value added tax and other taxes, for the following units of measurement: 1 kilogramme, 1 litre, 1 metre, 1 square metre, 1 cubic metre, or other units which, as a rule, are applied as units of measurement in Georgia;

f) commercial guarantee any undertaking by a trader or a producer (the guarantor) to a consumer, in addition to his/her legal obligation relating to the guarantee of conformity, to reimburse the price paid, or to replace or repair goods, or other obligations to provide services that are not related to the obligation to eradicate non-conformity with the contact;

g) commercial practice any action, omission, behaviour, explanation, or commercial communication of a trader, including advertising and marketing, directly related to the selling or the facilitation of the selling of goods or services to consumers;

h) trader any natural person, legal person or an association of persons acting within the scope of a commercial practice, as well as any other person acting in the name of or on behalf of a trader;

i) consumer any natural person who is offered goods or services, or who purchases or further consumes goods or services exclusively for private purposes and not for performing any commercial practice or industrial activity, crafting or other occupational activities;



- j) business premises any movable or immovable facility where a trader carries out its commercial practice on a usual basis;
- k) off-premises contract any contract between a trader and a consumer in a place, which is not the business premises of the trader, and that requires the physical presence of the trader and the consumer; a contract concluded on the business premises of a trader or through any means of distance communication immediately after the consumer was individually offered to conclude a contract in a place, which is not the business premises of the trader, in the physical presence of the trader and the consumer; a contract concluded during an excursion organised by a trader with the aim or effect of promoting and selling goods or services. A contract concluded in a notary bureau as a result of notarial actions shall not be deemed an off-premises contract;
- l) goods any movable thing, as well as any material goods placed therein and/or disseminated in a digital form;
- m) public auction a method of sale where goods or services are offered by a trader to a consumer, who attends or is allowed to attend the public auction in person, through a transparent, competitive bidding procedure, where the successful bidder is bound to purchase the goods or services;
- n) financial service any service related to financial instruments and/or financial transactions;
- o) Code of Conduct an agreement or set of rules not imposed by law, and which determines the behaviour of traders who undertake to be bound by the code in relation to one or more particular commercial practices;
- p) digital content information produced and provided in a digital form;
- q) durable medium any instrument which allows the storage of information for a long period and its non-modified reproduction for a period adequate for its use.

Chapter II Fundamental Rights and Basic Obligations

Article 5. Basic obligation to provide information to a consumer

1. Prior to concluding a contract, a trader is obliged to provide the following reliable and complete information (unless such information is clear enough) to a consumer in the national language of Georgia, in a clear and understandable manner:
- a) the name of the goods or services, the manufacturer and the material characteristics of the goods or services, taking into account the specificity of the information medium (including its size and capacities);
- b) the identity (name) and address (legal address) of the trader; where applicable, the electronic mail, fax and telephone numbers of the trader to enable fast and effective communication between the consumer and the trader; where applicable, the contact details of the trader on whose behalf a person acts;
- c) where applicable, the name and address of the premises used for replacing and repairing the goods, and for carrying out maintenance services, if it differs from the address referred to in sub-paragraph (b) of this paragraph;
- d) the price of the goods or services, specifying basic and additional charges (including charges necessary for the transportation, re-sending, and installation of the goods, etc.), and where the nature of the goods or services does not allow the calculation of the price in advance, a rule for calculating such price, and the information that additional charges may be payable;
- e) where applicable, the terms of payment, the conditions for the delivery of the goods or services, the terms of the fulfilment of obligations, and the procedures for handling consumers' claims by the trader;
- f) where applicable, a legal guarantee, a commercial guarantee, as well as the terms for the delivery of further services to the consumer;
- g) where applicable, the term of validity of the contract, and in the case of a contract of indeterminate duration, or if the term of validity of the contract is extended automatically, the conditions of withdrawal from the contract;
- h) where applicable, the obligations of consumers, the minimum time limit for the fulfilment of obligations, and the duration of



effectiveness of such obligations;

- i) the functional characteristics of digital content, including, where applicable, the technical means used for its storage, as well as any information regarding the compatibility of the digital content with the hardware and software environment, of which the trader is or should have been aware;
- j) where applicable, the conditions for withdrawal from the contract.

2. In the case of a public auction, the information on a trader to be provided to a consumer, as provided for by paragraph 1(b) of this article and Article 10(1)(a) of this Law, may be replaced by the equivalent information on an auctioneer.

3. The information provided for by paragraph 1 of this article shall form an integral part of a contract signed between a trader and a consumer and it may be modified only with the agreement of the contracting parties.

4. The requirements determined by paragraph 1 of this article shall not apply to contracts which involve day-to-day transactions and which are to be performed immediately at the time of their conclusion.

5. As regards compliance with the information requirements laid down by this article, and Articles 6, 7 and Articles 9 to 12 of this Law, the burden of proof shall be on the trader.

6. If a trader has not complied with the requirements for the provision of information related to additional charges and/or the information determined by paragraph 1(d) of this article and Article (10)(1)(b) and (f) of this Law, additional charges shall not be payable by the consumer.

Article 6. Information requirements for the price of goods or services

1. A trader is obliged to ensure that a selling price and a unit price of the goods or services are indicated clearly. The unit price may not be indicated if it is identical to the selling price.

2. A price may not be indicated if:

- a) the delivery of the goods is part of the service;
- b) the goods are sold at a public auction;
- c) a piece of art or an antique item is presented for sale.

3. The indication of a unit price shall suffice in relation to goods that are not packaged in advance and are weighed or measured in the presence of a consumer.

4. A unit price shall be indicated in any advertisement in which a selling price is indicated.

Article 7. Delivery of goods

1. A trader is obliged to deliver goods to a consumer without delay, but not later than 30 calendar days after signing a contract, unless otherwise provided for by the contract.

2. If a trader fails to fulfil an obligation within the time limit determined by paragraph 1 of this article and the contract signed between the trader and the consumer, the consumer shall determine an additional reasonable time limit for the trader to fulfil the obligation. In the case of failure to fulfil the obligation upon the expiry of the additional time limit, the consumer shall have the right to withdraw from the contract and claim damages in accordance with the procedures established by the legislation of Georgia.

3. An additional time limit provided for by paragraph 2 of this article may not be determined if it is clear that it will not have any consequence, or if the consumer has deemed the contract fulfilled after the timely delivery of goods.

4. If, due to unavailability, goods cannot be delivered to a consumer, a trader is obliged to immediately notify the consumer



thereof.

Article 8. Risk of accidental loss of or damage to goods

1. During the delivery of goods to a consumer, the risk of accidental loss of or damage to the goods shall pass to the consumer, unless otherwise agreed between the parties.
2. If, according to a contract, the goods are to be carried to a consumer, the risk of accidental loss of or damage to the goods shall pass to the consumer from the moment the consumer or a third party authorised by him/her (except for a carrier) acquires physical possession of the goods.
3. If a carrier was commissioned by a consumer to carry the sold goods, the risk of accidental loss of or damage to goods shall pass to the consumer from the moment of the delivery of the goods to the carrier.

Article 9. Additional charges related to a contract

1. A trader may not impose on a consumer the payment of fees for the use of a payment instrument that is higher than the fee paid by the trader.
2. If a trader has indicated a telephone number for contact, the trader may not require that a consumer pay more than the rate determined for contacting the trader for communication. The said condition shall be without prejudice to the right of telecommunication services providers to charge for such services.
3. Prior to signing a contract, a trader shall seek the express consent of a consumer to any extra payment in addition to the remuneration agreed upon for the fulfilment of the trader's main contractual obligations. If the trader has not obtained the consumer's express consent the consumer shall be entitled to reimbursement of this payment despite the fact that the trader has not refused (has not denied the implied parameters) to remunerate such additional charges.

Chapter III Distance Contracts and Off-premises Contracts

Article 10. Obligation to deliver information to consumers

1. In the case of distance contracts or off-premises contracts, prior to signing contracts, a trader is obliged to provide a consumer with the following additional information, in a clear and comprehensible manner, in addition to the information provided for by Article 5 of this Law:
 - a) the factual address of the trader, if it differs from the legal address, as well as the factual address and identity of the trader on whose behalf it acts;
 - b) the price of the goods or services, including the taxes, and where the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated; all additional charges, where applicable, including delivery, transportation or postal charges, and where those charges cannot reasonably be calculated in advance, information on the fact that such additional charges may be payable. In the case of a contract of indeterminate duration or a contract containing a subscription for goods and services, the total price shall include the total costs per billing period. Where such contracts are charged at a fixed rate, the total price shall also mean the total monthly costs. Where the total costs cannot be reasonably calculated in advance, the manner in which the price is to be calculated shall be provided;
 - c) the costs of using a means of distance communication for the conclusion of the contract, unless these costs are included in the basic rate;
 - d) the conditions, time limit and procedures for exercising the right of withdrawal from the contract, where applicable, as well as the model withdrawal form to be completed in the case of withdrawal from the contract;



- e) information on the fact that a consumer will be unable to withdraw from the contract if, in accordance with Article 14 of this Law, withdrawal from the contract is impossible;
- f) information on the fact that a consumer will have to bear the cost of returning the goods in the case of withdrawal from a distance contract, if the goods, by their nature, cannot be returned by post;
- g) the existence and availability of the Code of Conduct;
- h) the terms of a financial guarantee to be provided or paid by a consumer at the request of a trader;
- i) information, where applicable, on procedures for lodging an out-of-court complaint and the redress mechanism.

2. The information provided for by this article shall form an integral part of the contract and may be altered only if the parties expressly agree thereto.

3. The requirements determined by this Chapter shall not apply to goods or services the price of which does not exceed GEL 30.

Article 11. Requirements for off-premises contracts

1. In the case of off-premises contracts, the information provided for by Article 10 of this Law shall be provided by a trader to a consumer in writing, in a clear and comprehensive manner, in the national language of Georgia, on paper, and where the consumer agrees, in another durable medium.

2. The trader is obliged to provide the consumer with a copy of the signed off-premises contract or a document confirming the conclusion of the contract, on paper, and where the consumer agrees, in another durable medium.

3. If the consumer makes a request to the trader with regard to the delivery of services before the expiry of the term for exercising the right to withdraw from the contract as provided for by Article 13(1) of this Law, such request shall be made in a durable medium.

Article 12. Requirements for distance contracts

1. In the case of distance contracts, a trader shall give to a consumer the information provided for by Article 10 of this Law through a means of distance communication, in a clear and comprehensive manner. If that information is provided in a durable medium, it shall be legible.

2. If a distance contract is concluded using an electronic means, the trader shall ensure that the consumer, when placing his /her order for goods and services, explicitly acknowledges that the placement of the order entails the obligation of the consumer to pay. If the trader has not complied with this provision, the consumer shall not be bound to pay.

3. Information on restrictions (if applicable) related to the delivery of goods or services, as well as information on means of payment, shall be placed on trading websites in a clear and comprehensive manner, not later than the start of the ordering process.

4. If a contract is concluded through a distance communication means that does not allow a trader sufficient time and space to provide information to a consumer, the trader is obliged, prior to signing the contract, to provide the consumer at least with the information on its identity (name), and the information provided for by Article (5)(1)(a), (b) and (g) and Article 10(1)(b) and (d) of this Law. The trader shall provide the consumer with other information related to signing the distance contract in accordance with paragraph 1 of this article.

5. Where a distance contract is concluded using a telephone communication means, a trader is obliged, at the beginning of the telephone communication, to provide a consumer with the information on its identity (name) or the identity of a person on whose behalf it acts, in addition to the information provided for by paragraph 4 of this article, and to notify the consumer about the commercial purpose of the telephone communication.

6. Within a reasonable time after signing a contract, and at the latest before the delivery of goods or the performance of services, a trader shall provide a consumer with confirmation of the conclusion of the distance contract in a durable medium. The relevant confirmation shall include:



a) the information provided for by Article 5(1)(a) to (h) and Article 10 of this Law, except where the trader has already provided the said information in a durable medium prior to the conclusion of the distance contract;

b) where applicable, the prior consent and approval of the consumer that the information provided for by Article 14(2)(1) of this Law has been provided to him/her.

7. Where a consumer desires the performance of services before the expiry of the term for exercising the right to withdraw from a contract as provided for by Article 13(1) of this Law, a trader shall require that the consumer make an express request.

Article 13. Right to withdraw from distance contracts and/or off-premises contracts

1. Except for cases determined by Article 14 of this Law, a consumer shall have the right to withdraw from a distance contract and/or an off-premises contract within 14 calendar days without giving any reason. This period shall start:

a) from signing the contract, in the case of service contracts;

b) from acquiring physical possession of goods by a consumer or a third party designated by the consumer (except for a carrier), in the case of sales contracts;

c) from acquiring physical possession of the last part of goods by a consumer or a third party designated by the consumer (except for a carrier), where an order for delivery in parts is made by the consumer;

d) from acquiring physical possession of the first part of goods by a consumer or a third party designated by the consumer (except for a carrier), in the case of a contract for the regular delivery of goods (with a specified periodicity).

2. A consumer shall not bear any cost (including the cost of delivery) in the case of withdrawal from a contract, except where the consumer has chosen a delivery service that is more expensive than the standard delivery service offered by a trader, or where the price of goods has reduced due to a use unrelated to the determination of the nature, characteristics and functionality of the goods. The consumer shall not be liable to cover the difference resulting from the diminished value of the goods where the trader has failed to provide full information on the right of withdrawal from the contract as referred to by this Law.

3. Withdrawal from a distance contract by a consumer shall automatically cause the withdrawal of the consumer from an ancillary contract and the restoration of the original condition.

4. Within the period determined by paragraph 1 of this article, a consumer is obliged to send to a trader a filled in form or other express confirmation of the fact that the consumer has made a decision to return the goods. The burden of proof for exercising the right of withdrawal from a contract as referred to in this article shall be on the consumer.

5. A trader shall have no right, when filling in the form referred to in paragraph 4 of this article, to request from the consumer, in order to withdraw from a contract, information other than:

a) the name, the actual address, the fax number, and the e-mail address specified by the trader

b) the date of the order

c) the date of receiving the order

d) the name of the consumer

e) the address of the consumer

f) the signature of the consumer (if a paper form is filled in)

g) the date of filling in the form.

6. A trader shall have the right to receive the form referred to in Article 4 electronically. Information on the receipt of the said form shall be immediately delivered to a consumer in a durable medium.



7. A consumer may exercise the right to withdraw from a contract within the period determined by paragraph 1 of this article if the notification on the withdrawal from the contract was sent by him/her to the trader before the expiry of this period. The burden of proof for exercising the right of withdrawal from the contract in accordance with this article shall be on the consumer.

8. If the information on the right to return goods or services referred to in this Law is not delivered by a trader to a consumer, the said goods or services may be returned within 12 months after the expiry of the period determined by paragraph 1 of this article.

9. If the information on the right to withdraw from a contract is delivered by a trader to a consumer within 12 months after the commencement of the period determined by paragraph 1 of this article, a seven-day period for returning the goods or services shall start from the receipt of such information.

Article 14. Exceptions regarding the withdrawal from a contract without specifying any grounds

1. The right to withdraw from a contract provided for by this Law shall not apply to contracts concluded in the fields of finance and insurance, governed by relevant normative acts, except for off-premises contracts and loan agreements secured by real estate, unless a consumer has started using such loan amount.

2. A consumer shall not have the right to withdraw from a contract if:

a) a trader has delivered the service provided for in the contract in full, it has started to deliver the service with the prior consent of the consumer and with the acknowledgement from the consumer that he/she will lose his/her right of withdrawal once the contract has been fully performed by the trader;

b) the contract provides that the price of the delivered goods or services depends on current fluctuations in the financial market that are beyond the control of the trader and that arose within the period determined by this Law for exercising the right of withdrawal from the contract;

c) the delivered goods or services are made to the customer's specifications or are clearly personalised;

d) the delivered goods are liable to deteriorate or expire rapidly;

e) the goods were delivered to the consumer tightly sealed, were unsealed after delivery, and therefore the goods are not suitable for return for reasons of health protection or hygiene;

f) goods which are, after delivery, according to their nature, inseparably mixed with other items of goods;

g) the consumer has specifically requested a visit from the trader for the purpose of carrying out urgent repairs or maintenance in accordance with the terms of the contract. This restriction shall not apply to additional services other than those rendered during the visit;

h) sealed audio or sealed video recordings or sealed computer software were unsealed after delivery;

i) the contract was for newspapers and magazines or other kinds of periodical publications, with the exception of subscription contracts for the supply of such publications;

j) the contract was concluded at a public auction;

k) the contract was concluded for the provision of accommodation other than for residential purposes, the transport of goods, car rental services, catering or services related to leisure activities, if the contract provides for a specific date or period of performance;

l) digital content was delivered to the consumer in a tangible medium, and the fulfilment of the contract has begun with the prior consent of the consumer, knowing that this would result in losing the right to withdraw from the contract;

m) the contract provides for the delivery of alcoholic beverages, the price of which was agreed upon at the time of the conclusion of the sales contract, the delivery of which can only take place after 30 days, and the actual value of which is dependent on fluctuations in the market which cannot be controlled by the trader.



Article 15. Effects of withdrawal from a contract

1. The exercise of the right of withdrawal from a contract shall terminate the obligations of the parties under distance and off-premises contacts, and the parties shall be fully reimbursed for any performance thereof.
2. In the case of the exercise of the right of withdrawal from a contract, a trader shall:
 - a) fully reimburse all payments, and if applicable, the costs of delivery, without undue delay and in any event not later than 14 calendar days from being informed of the consumer's decision to withdraw from the contract. The trader shall not be required to reimburse supplementary costs if the consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by the trader;
 - b) reimburse through the same means of payment used by the consumer, except for the case where the consumer agrees to the use of other means of payment and no additional cost is incurred.
3. With regard to the exercise of the right of withdrawal from sales contracts, the trader may withhold reimbursement until it has received the goods back, or until the consumer has supplied evidence of having sent back the goods, whichever is earlier, unless the trader has offered to collect the goods itself.
4. In the event of withdrawal from a contract the consumer shall:
 - a) send back the goods to the trader or a third party designated by the trader, without undue delay and in any event not later than 7 calendar days from notifying the trader of the decision to withdraw from the contract, unless the trader has offered to collect the goods itself.
 - b) bear only direct costs related to the return of the goods, except when the trader agreed to bear these costs or failed to inform the consumer that such costs would arise in the case of the return of the goods. In the case of off-premises contracts, where the goods are delivered to the consumer's home, the trader shall, at its own expense, collect the goods, if by their nature such goods cannot normally be sent by post.

Chapter IV Consumer Contracts

Article 16. Obligations of a trader

1. A trader is obliged to ensure that the goods delivered to a consumer comply with the conditions provided for by the contract.
2. The goods shall be deemed in compliance with the conditions provided for by the contract if they are adequate to the description provided by a trader to a consumer and have the same features as the specimens of the goods sent by the trader to the consumer.
3. In the absence of the description to be provided by a trader to a consumer, the goods shall be deemed in compliance with the conditions provided for by the contract if they serve the purpose communicated by the consumer to the trader when signing the contract and if the trader agrees thereto.
4. If a consumer fails to notify a trader of the purpose for which he/she intends to use the goods, such goods shall be deemed in compliance with the conditions provided for by the contract if they serve the purpose they are generally intended for.
5. If a general purpose for using the goods cannot be identified, such goods shall be deemed in compliance with the conditions provided for by the contract if they have the features of the same goods and operate as the same type of goods, the reasonable expectation of which a consumer might have had based on the nature of the goods and public statements made by the trader, manufacturer, its agent or another person responsible for the placement of the goods on the market, including through the use of advertisements and/or labels.
6. Any defects caused by the improper installation of the goods by the trader or under its responsibility shall be in equilibrium with the non-compliance (the defect) of the goods with the conditions provided for by the contract, if the installation of the goods was part of the contract. This provision shall also apply to goods to be assembled or installed by the consumer, and that have been improperly assembled or installed due to the lack of instructions for installation.



7. For the purposes of this article, goods shall not be deemed defective if, at the moment of concluding a contract, a consumer had known or should have known that the goods were defective, or if the defect of the goods was caused by the material delivered by the consumer.

8. A trader shall not be held responsible for any public statement about goods or services if the trader proves that:

- a) it did not have nor could have had any information about such statement;
- b) the information given in the statement was changed before the conclusion of the contract;
- c) such statement could not have affected the purchase of the goods or services by the consumer.

Article 17. Consumer rights

1. If the goods turn out to be defective, a consumer shall have the right to request from a trader that it eradicate the defect (repair or replace the goods free of charge, or reduce the price) or withdraw from the contract.

2. The right to repair and replace the goods is a top priority right of a consumer. A consumer shall have the right to request that a trader repair or replace the goods free of charge, except for the case where it is impossible to do so due to the nature of the goods, or where it requires disproportionately or unreasonably high costs.

3. Goods shall be repaired or replaced within a reasonable time in order to not adversely affect a consumer, taking into account the nature and the intended purpose of purchasing such goods.

4. The repair or replacement of goods free of charge shall include the payment of all costs (including postal charges, expenses related to the work force and materials) necessary to ensure the compliance of the goods with the conditions provided for by the contract.

5. A consumer shall have the right to request the reduction of the price of goods or to withdraw from a contract if one of the following conditions exist:

- a) the goods cannot be repaired or replaced, in accordance with paragraph 3 of this article;
- b) the trader failed to repair or replace the goods in a reasonable time and the consumer has lost interest in the performance of the contract;
- c) the consumer will be adversely affected if the trader repairs or replaces the goods.

6. In the case of withdrawing from a contract, a consumer shall have the right claim damages as a result of the failure to perform the contract, in accordance with the procedure established by the legislation of Georgia.

7. A consumer shall not have the right to withdraw from a contract if the defects of the goods goods are insignificant.

8. When determining the level of non-proportionality or inadequacy of costs, the following conditions shall be taken into account:

- a) the price of goods or services in the case of their compliance with the conditions provided for by the contract;
- b) the degree of non-compliance with the conditions provided for by the contract of goods or services;
- c) alternative means of rectifying defects of goods without adversely affecting a consumer.

Article 18. Rights arising from a service contract

1. A trader is obliged to provide a consumer with services in accordance with the conditions provided for by the contract.



2. When a time limit provided for by the contract is violated or a defect is identified, a consumer shall provide a trader with an additional reasonable period for providing services/eradicating the defect, except for the case where it is impossible to do so due to the nature of the services, or where there is an issue of non-proportionate and unreasonably high costs. Non-proportionate or unreasonably high costs shall be determined in accordance with the procedure established by Article 17(8) of this Law.

3. In the case of the expiry of an additional time limit without providing the services/eradicating the defect, the consumer shall have the right to:

- a) offer the provision of the services or the eradication of the defect to another person at the expense of the trader;
- b) request an adequate reduction in the fee for the services;
- c) withdraw from the contract and claim damages in accordance with the procedure established by the legislation of Georgia.

4. The determination of the additional time limit provided for by paragraph 2 of this article shall not be mandatory when it is evident that it will have no effect, or if the consumer deemed the contract performed upon the delivery of the goods on time.

5. If a trader fails to start providing services on time, or the process of providing services is delayed without any grounds, which makes it impossible to provide services within the determined time limit, the trader shall not have the right to claim for damage incurred during the service, or for compensation for services rendered, if the consumer has lost interest with regard to the partial performance of the contract.

Article 19. Commercial guarantee

1. A trader is obliged to fulfil a commercial guarantee issued by it, including the terms and conditions provided for the promotion of certain goods or services.

2. A commercial guarantee shall include:

- a) a statement that the commercial guarantee shall not restrict the consumer rights determined by this Law;
- b) well-defined guarantee conditions, including the duration and jurisdiction of the commercial guarantee and information required for its appeal, in particular the limitation period of the claim, and the name and address of the trader.

3. Upon the request of a consumer, a commercial guarantee shall be delivered to him/her in writing, or in another acceptable form.

4. The violation of the requirements determined by paragraphs 1-3 of this article shall not affect the validity of a commercial guarantee.

5. The terms and conditions of a commercial guarantee restricting the consumer rights determined by law shall be void.

Article 20. Burden of proof and time limits in the case of non-compliance with a contract

1. If a consumer detects a defect(s) in goods within 6 months after acquiring the physical possession of the goods, the goods shall be deemed defective at the time of delivery if the nature of goods or the defect(s) allow so, unless proved otherwise. In this case, the burden of proof shall be on the trader. If the consumer detects a defect(s) in goods after 6 months from acquiring the physical possession of the goods, the burden of proof for the defective goods at the time of delivery shall be on the consumer.

2. A consumer shall have the right to enjoy the rights referred to in Articles 17 to 19 of this Law if a defect(s) in goods is/are detected within 2 years after the delivery of the goods to the consumer.

3. Paragraph 2 of this article shall not apply to the purchase of derived products. When purchasing such goods, in the case provided for by paragraph 2 of this article, the responsibility of the trader shall be the subject of agreement between the parties.



Article 21. Validity of standard terms of a contract

1. A standard term of a contract with a consumer shall be determined by a trader in advance and shall be for the intended purpose and multiple application, which the consumer shall be aware of.
2. The burden of proof that a standard term was individually agreed between the parties shall be on a trader.
3. The standard terms of a contract offered to a consumer in writing shall be in simple language which is understandable for the consumer. A term of a contract that can be interpreted ambiguously shall be interpreted in favour of the consumer.

Article 22. Invalidity of unfair standard terms of a contract

1. Unfair standard terms of a contract, if any, shall be deemed invalid if they contravene the principles of reliability and good faith, and due to ambiguity, cause an unjustified imbalance of the rights and obligations provided for by the contract to the detriment of the consumer. Only the subject of the contract or the compliance of the subject of the contract with reciprocal performance shall not be deemed non-compliance.
2. When assessing whether or not the standard terms of a contract are fair, the subject of the contract, the circumstances existing at the time of concluding the contract that caused the necessity of including such terms in the contract, and other terms of the contract shall be taken into account. When assessing whether or not the said terms of the contract are fair, neither the main subject of the contract nor the compliance of the price of the goods or services to be delivered and compensation therefor shall be taken into account.
3. The following unfair standard terms of a contract shall be void:
 - a) a provision that excludes or restricts the responsibility of the trader due to the death of the consumer, or damage to the health or other kind of injury caused by the serious negligence of the trader, if such circumstance was the result of the action or omission of the trader;
 - b) a provision that unfairly excludes or restricts the possibility of the consumer to file a claim against the trader or a third party due to the partial or improper fulfilment of the obligations of the trader under the contract, or a provision that excludes the possibility of the mutual offset of claims;
 - c) a provision that obligates the consumer to fulfil the terms of the contract when the fulfilment of obligations by the trader is caused by the existence of conditions that depend on his/her intention;
 - d) a provision that entitles the trader to withhold an amount paid by the consumer if the consumer refuses to sign the contract or to fulfil an obligation under the contract, if the withdrawal from the contract is on the initiative of the trader, and the amount which the consumer obtains as a result of the performance does not comply with the said amount;
 - e) a provision that relieves the trader from the obligation to determine an additional time limit for the consumer to fulfil his/her obligations;
 - f) a provision that imposes an obligation on the consumer to pay an amount which is higher than the amount of damage caused by the non-fulfilment of an obligation, or entitles the trader to request that the consumer pay a disproportionately high amount in order to compensate for expenses incurred;
 - g) a provision that entitles the trader to solely withdraw from the contract, where the consumer is not given the possibility to exercise the same right, or a provision that entitles the trader to withhold any amount paid by the consumer for services that have not been rendered by the trader, when the trader has withdrawn from the contract, unless the provision stipulates an obligation provided for by law;
 - h) a provision that entitles the trader to withdraw from a contract of indeterminate duration without notifying the consumer beforehand, within a reasonable time limit, unless there are serious grounds for withdrawing from the contract;
 - i) a provision that extends, by default, the validity of a contract for a terminable period without the consent of the consumer, or



provides for an unreasonably short period for the consumer to express his/her will as regards the termination or extension of the validity of the contract;

j) a provision by which the trader establishes a disproportionately long or short period for a consumer to perform certain work, or by which the trader establishes disproportionately long periods other than those provided for by the norms of law for the fulfilment of his/her obligations, or by which the time limits are determined in a vague manner;

k) a provision that binds a consumer of which he/she was not aware before the conclusion of the contract;

l) a provision that entitles the trader to solely change the terms of the contract, without reasonable grounds provided for by the contract, unless it is a contract of indeterminate duration and the trader notifies the consumer of the change of the terms of the contract within a reasonable time, and the consumer has the right to withdraw from the contract;

m) a provision that entitles the trader to solely change the features/characteristics of the goods or services without any serious grounds;

n) a provision that entitles a trader to determine the price of the goods or services or to increase the price at the time of delivery of the goods or services so as not to allow the consumer to withdraw from the contract, if the final price of the goods or services significantly exceeds the price determined at the time of concluding the contract, unless price indexation is permitted by law and is performed using a preliminarily determined methodology;

o) a provision that entitles a trader to determine whether the goods or services comply with the conditions provided for by the contract, or to solely interpret any term of the contract;

p) a provision that restricts the obligation of the trader to ensure the fulfilment of obligations assumed by its agent or to make the assumed obligations subject to formal requirements;

q) a provision that obligates the consumer to fulfil obligations under the contract, whether or not the trader fulfils its obligations, unless the consumer had to fulfil his/her obligations in advance, or a provision that restricts the right of the consumer granted by law to refuse the fulfilment of obligations on other grounds;

r) a provision by which a trader transfers the rights and obligations provided for by the contract, which may cause the performance guarantee to lose its effect, and with regard to which the consumer did not give his/her consent;

s) a provision that restricts or excludes the right of the consumer to legal remedy, including a provision that obligates the consumer to exercise his/her rights in arbitration proceedings, which is not governed by the legislation of Georgia, or restricts the consumer to obtain evidence, or imposes a burden of proof on the consumer when, in accordance with the law, the burden of proof is on the other party to the contract.

4. The invalidity of unfair standard terms of a contract shall not entail the invalidity of other parts of the contract unless the unfair standard term is a material part of the contract and where the contract can be signed without the invalid terms of the contract.

Article 23. Exceptions relating to the invalidity of the standard terms of a contract

1. In the case of a financial services contract of indeterminate duration, the provision determined by Article 22(3)(h) of this Law shall not be deemed void if there are reasonable grounds for withdrawal from the contract and if the trader immediately notifies the consumer thereof.

2. In the case of a financial services contract, a standard term shall not be deemed void according to which, in the case of reasonable grounds, the trader retains the right to change the interest rate or the amount of commission related to financial services, without notifying the consumer in advance, if the trader notifies the consumer of the changes at the earliest opportunity, and the consumer has the right to immediately withdraw from the contract.

3. The provisions provided for by Article 22(3)(h), (l) and (n) of this Law shall not be deemed void in transactions related to transferable securities, financial instruments and other transactions concluded in relation to goods or services in which the price is related to the fluctuation of quotations or indices set by a stock exchange or to a financial market rate which cannot be controlled by the trader, nor to foreign currency sales contracts, travel cheques, or international money transfers denominated in a foreign currency.



Chapter VI Unfair Commercial Practices

Article 24. Prohibition of unfair commercial practices

1. Unfair commercial practices shall be prohibited.
2. Commercial practices shall be deemed unfair if they contravene the requirements of good faith and have or may have a negative effect on the behaviour of an average consumer in relation to goods or services that have been delivered to or are intended for him/her, or may have an essential effect on the economic behaviour of an average member of a group of consumers, when the commercial practice is intended for a specified group of consumers.
3. In order to deem a commercial practice unfair, which negatively affects the economic behaviour of only a group of consumers which is particularly vulnerable due to their mental or physical abilities and/or ages, the economic behaviour of an average member of a group of consumers shall be taken into account. A commercial practice shall not be deemed unfair if the information provided in an advertisement is exaggerated or is such information as should not be understood literally.
4. A misleading commercial practice or an aggressive commercial practice shall be deemed unfair commercial practice.

Article 25. Misleading commercial practices caused by actions

1. In all cases, the following misleading commercial practices caused by actions shall be deemed unfair and prohibited:
 - a) the placement of a mark of trustworthiness, a mark of quality or other similar marks without a relevant authorisation granted by the legislation of Georgia;
 - b) a false statement that the Code of Conduct has been recognised by a public entity or other organisation;
 - c) a statement that a trader (its commercial practice) or goods or services have gained approval, a permit, a licence, an authorisation, an accreditation, etc., from a public authority or a private person, or a statement that the compulsory terms required for obtaining such approval, permit, licence, authorisation, accreditation, etc., have been fulfilled, unless already completed;
 - d) offering goods or services at a special price, without communicating important information, based on which a trader presumes that it cannot deliver the goods or services, or similar goods or services by itself or through another trader in such a period, in the quantity and at the price relevant to the said goods or services, the scale of advertising and the offered price (misleading advertising);
 - e) offering the purchase of goods or services at a special price followed by the refusal to show the advertised goods to the consumer or to receive an order from the consumer, or to deliver the goods to the consumer within a reasonable time limit, and/or a demonstration of defective specimens of the goods with the intention to promote the sale of other goods;
 - f) making a false statement that the goods or services are available and/or special conditions apply only for a short period of time, with a view to forcing a consumer to make an immediate decision without having sufficient time and opportunity to make an informed decision;
 - g) making a statement or creating an impression that goods or services prohibited by law may be sold;
 - h) claiming to a consumer that the possibility to exercise a right granted by law is by virtue of the goodwill of the trader and a special condition of the offer;
 - i) making a false statement about the type and scale of risk related to the personal safety of the consumer or his/her family if the consumer refuses to purchase the goods or services;
 - j) designing, managing or promoting the development of a pyramid scheme, where a consumer expects to receive the most financial benefit not from the sale or use of the goods or services, but from the involvement of other consumers in the pyramid scheme;



- k) making a statement that a trader intends to terminate trading or change location where this is not true;
- l) making a false statement that the goods or services may cure a disease or a dysfunction or correct a developmental defect;
- m) the dissemination by the trader of materially incorrect information on market conditions or on the ability to find goods or services in order to persuade a consumer to purchase the goods or services on less favourable terms than those on the market;
- n) announcing a competition or promising a prize in public without the intention of giving any prize or its equivalent;
- o) making a statement that goods or services are offered free of charge, where a consumer has to pay additional charges in addition to the necessary costs for obtaining the goods or services and the costs for the transportation of the goods;
- p) including in marketing material an invoice/waybill or other document for mandatory payment which creates a false impression on the consumer that he/she has ordered the goods or services, whereas in fact he/she has not;
- q) making a false statement or creating a false impression that the trader does not act for trading, industrial, crafting or occupational purposes, or making deceptive attempts to give the impression that he/she is a consumer;
- r) creating a false impression on a consumer that after-sale services are available in another country;
- s) at the request of a trader, the advertising of goods or services in mass media in such a way that the consumer is not able to identify the advertisement by any content, image or voice therein;
- t) the intentional advertisement of goods or services that is similar to the goods or services of another manufacturer, as if the goods or services had been manufactured by the same manufacturer, thus misleading the consumer;
- u) a statement that the goods or services can bring success in prize winning games;
- v) the provision of after-sales consumer services in languages different from those used before making the purchase transaction, other than the national language of Georgia, without providing the consumer with such information in an understandable manner before the conclusion of the purchase transaction.

2. A commercial practice shall be deemed misleading as a result of an action of a trader if information provided to a consumer is false, or deceives or is likely to deceive the consumer (even when the information referred to in one or more sub-paragraphs of paragraph 3 of this article is factually correct), and in either case causes or is likely to cause the consumer to conclude a transaction which he/she would not have concluded otherwise.

3. The information referred to in paragraph 2 of this article shall include:

- a) the following features and basic characteristics of goods or services: availability, benefits, risks, execution, composition, accessories, after-sales customer assistance and complaint handling procedures, the place, date and method of manufacture, delivery, fitness for purpose, quantity, size, weight, specification, geographical or commercial origin, shipment and storage terms, results to be expected from use, as well as the results of tests or checks, and associated material features;
- b) the scope of responsibility of the trader related to the motives for the commercial practice and the nature of the sales process, as well as any information related to the direct or indirect sponsorship of the goods or services;
- c) the price and the appropriate method of price calculation, as well as conditions for delivering the goods or services;
- d) services related to the goods or services, and the necessity to replace or repair part of the goods;
- e) information concerning the trader or its agent, including identification data, status, approval, qualifications, affiliation or connection to industrial, commercial or intellectual property rights, as well as other rights related to industrial or commercial practices;
- f) information on consumer rights, including information on the return, replacement and repair of goods, the possibility and form of filing a claim, as well as information related to expected risks.

4. The marketing of the goods or services, including comparative advertising, shall be deemed a misleading commercial practice caused by the action of a trader where it causes confusion in relation to the trade marks, trade names and other distinguishing



marks of a competitor.

5. A commercial practice caused by the action of a trader shall be deemed misleading where the trader states that it is a signatory to the Code of Conduct and is subject to the requirements laid down by the Code of Conduct, whereas in fact it has violated the rules of conduct provided for by the said Code of Conduct.

Article 26. Misleading commercial practices caused by omission

1. A commercial practice resulting from the omission of a trader shall be deemed misleading when, in a specific case, taking into account all the factual circumstances and limited communication means, the actual information does not contain the material necessary for an average consumer to make an informed decision, and based on which the consumer concludes or may conclude a transaction which he/she would not have concluded had he/she been made aware of such information.

2. A commercial practice resulting from the omission of a trader shall be deemed misleading when the material information referred to in paragraph 1 of this article is delivered by the trader to a consumer in a vague, uncertain or untimely manner, or where commercial intent can be identified in the commercial practice, or be proven by circumstances, and based on which the consumer concludes or may conclude a transaction which he/she would not have concluded otherwise.

3. Where the medium used to communicate a commercial practice imposes limitations of space or time, in deciding whether a trader's omission has led to misleading a consumer, all these limitations and any measures taken by the trader to make the information available to the consumer by other means shall be taken into account.

4. In the case of an invitation to purchase, the following information shall be deemed material (if not already apparent from the context):

a) the main characteristics of the goods or services, taking into account the peculiarities of the goods or services and of the information medium;

b) the identity (name) of the trader, the factual address and identification data, as well as the name, the factual address and identification data of the trader's agent;

c) the full price of the goods or services, indicating the main and additional charges (including freight, delivery, installation charges, etc.), and if the nature of the goods or services does not allow the setting of the main price in advance, the rule for calculating the main price; where the additional charges cannot be calculated in advance, information that such additional charges may be payable;

d) the arrangements for payment, delivery of the goods and services, and the performance of obligations, as well as procedures for the handling by the trader of complaints from consumers;

e) where applicable, the right to withdraw from a contract.

5. The non-fulfilment of the obligation to deliver information provided for by Articles 5, 6 and Articles 9 to 12 of this Law shall be also deemed a misleading commercial practice resulting from omission.

Article 27. Aggressive commercial practices

1. In all cases, the following aggressive commercial practices shall be deemed unfair and are prohibited:

a) where the impression is created that a consumer will not be able to leave the business premises of the trader until he/she signs a contract;

b) where a trader refuses to leave a consumer's place of residence, against the consumer's will, except where the presence of the trader in the place of residence of the consumer is necessitated by the fulfilment of an obligation provided for by the contract;

c) where undesirable offers are systematically made to a consumer by telephone or other means of distance communication, except when it is necessary for the fulfilment of an obligation provided for by the contract;



d) where children are directly and unduly affected by advertisements to purchase the advertised goods or services, or where parents or other adults are persuaded to purchase the same goods or services for children;

e) where a consumer is deceived that the practice or the life of a trader will be threatened if the consumer does not purchase the goods or services;

f) where false impressions are created that a consumer has won, or after performing certain actions, will win a prize or receive some other similar benefits, whereas there is no prize or other similar benefits, or where the performance of such actions is requested as a result of which the consumer may win a prize or other similar benefits, but such performance of the actions by the consumer requires the payment of money or other additional charges payable by the consumer;

g) where a consumer willing to receive insurance compensation is requested to submit a document which is not required for determining the right of the consumer to claim the compensation, or where the correspondence of a consumer is ignored in order to limit his/her right;

h) where such goods or services are delivered that have not been ordered by the consumer and the payment of the price of such goods or services is requested in full or in part, or where the delivered goods or services are different from those ordered by the consumer, without the possibility of returning such goods and services restored in their initial condition at the expense of the trader.

2. A commercial practice shall be deemed aggressive if, in view of all the circumstances, by harassment, coercion, including the use of physical force, or undue influence, it significantly impairs or is likely to significantly impair the average consumer's freedom of choice or conduct with regard to the goods and services, and thereby causes the consumer or is likely to cause the consumer to conclude a transaction that he/she would not have concluded otherwise.

3. In determining whether a commercial practice uses harassment, coercion, including the physical force, or undue influence, the following shall be taken into account:

a) the period of time, the place, the persistence, the nature and the intensity of the practice;

b) the use of threatening or abusive language or behaviour;

c) the exploitation by the trader of any specific misfortune or circumstance of such gravity as to impair the consumer's judgement in order to influence the consumer's sound decision with regard to the goods or services;

d) the attempt of the trader to artificially create obstacles that do not arise from the contract in order to impede the exercise of the rights of the consumer, including the right to withdraw from the contract or to choose other goods or services, or another trader;

e) any threat to take any action that cannot legally be taken.

Chapter VII Institutional Guarantees for the Protection of Consumer Rights

Article 28. Mechanisms for the protection of consumer rights

1. In the case of a violation of this Law, a consumer shall have the right to apply to the Legal Entity under Public Law called the Georgian National Competition Agency ('the Agency'), or an authorised body governing the relevant field. Articles 29 to 36 of this Law shall not apply to an authorised body governing the relevant field. When exercising the powers provided for by this article, an authorised body governing the relevant field shall be guided by the procedures established by the same body.

2. The right provided for by paragraph 1 of this article shall not deprive a consumer of the right to apply to a court or for arbitration and/or to resolve a dispute through mediation.

Article 29. Powers of the Agency in the field of the protection of consumer rights

1. In the territory of Georgia, the protection of consumer rights established by this Law, the prevention of a violation of consumer



rights and the facilitation of the restoration of violated rights, the identification of a violation of consumer rights and the appropriate response mechanisms to violations provided for by this Law, shall be carried out by the Agency and an authorised body governing the relevant field.

2. The powers of the Agency shall not apply in the fields provided for by the Organic Law of Georgia on the National Bank of Georgia, and the Law of Georgia on Activities of Commercial Banks, Laws of Georgia on Investment Funds, on Insurance, on Electronic Communications, on Broadcasting and on Energy and Water Supply, nor in fields where the protection of consumer rights is ensured by an authorised body determined by the relevant legislation.

3. If an application was submitted to the Agency on the alleged violation of consumer rights in the field provided for by paragraph 2 of this article, the Agency shall forward the said application to a respective authorised body and notify the applicant thereof.

4. To exercise the powers granted by the legislation of Georgia, the Agency shall:

a) examine the fact of an alleged violation of consumer rights established by this Law, which violation caused or is likely to cause a violation of the rights of a group of consumers;

b) with a view to investigating a case, request from an applicant and/or a trader information (including confidential information) necessary for the Agency to exercise appropriate powers;

c) be entitled to submit a motion to a court requesting from a trader that it deliver appropriate information if the trader has not delivered information related to the case;

d) invite parties/interested persons in order to obtain explanations;

e) convene advisory meetings, where appropriate, with representatives of public agencies, experts and/or other persons;

f) develop recommendations regarding measures to be taken for the improvement of the condition of the protection of consumer rights in Georgia;

g) in the case of the identification of the fact of a violation during the investigation of a case, determine a reasonable time limit for a trader to restore a violated right, and/or request that it terminate, within a determined period, an action deemed to be a violation and/or an action prohibited by this Law;

h) impose a penalty on a trader in the case of the failure to execute or the improper execution of a decision made by the Agency on the basis of an investigation of a case;

i) when the standard terms of a contract are deemed unfair, be entitled to prohibit traders or an association of traders acting in the same economic sector, from using the same unfair standard terms or recommending using the same;

j) be entitled to commission an expert examination, where appropriate;

k) monitor the execution of the decisions taken by the Agency;

l) record and analyse statistical data on the facts of violations of consumer rights;

m) take measures regarding issues related to consumer rights in order to raise public awareness;

n) cooperate with public authorities, local authorities, international organisations and representatives of civil society on matters related to the protection of consumer rights.

Article 30. Grounds for investigating alleged violations of consumer rights by the Agency

1. An applicant shall have the right to submit an application to the Agency regarding an alleged violation of consumer rights.

2. The Agency shall start the investigation of an alleged violation of consumer rights if there is information that the action of a particular person(s) violates or is likely to violate the right of a group of consumers.

3. The Agency shall start an investigation of an alleged violation of consumer rights on the basis of a reasonable doubt that the



violation of the requirements of this Law damages or is likely to damage the interests of a group of consumers.

Article 31. Time limit for applying to the Agency

1. The time limit for applying to the Agency in the case of a violation of the requirements of this Law shall be not later than 2 years after such violation.
2. The commencement of an investigation of a case by the Agency shall constitute grounds for the suspension of the time limit referred to in paragraph 1 of this article.

Article 32. Procedures for investigating a case by the Agency and the period of investigation

1. The Agency shall notify an applicant of the response to the application or on the absence of the grounds provided for by Article 30(2) and (3) of this Law within 10 working days after the submission of the application.
2. The Agency shall investigate a case within 1 month after taking a decision on the commencement of the investigation of a case.
3. The investigation of a case may last for a period not exceeding 3 months, taking into account its significance and complexity.
4. The period provided for by paragraph 1 of this article and/or the period of investigation of a case shall be suspended if additional information is requested and/or an expert examination is commissioned in relation to the case.
5. The Agency shall, within 3 days after making a decision on the commencement of the investigation of a case, inform the trader and determine a period of not less than 5 working days for the trader to present its position regarding the alleged violation of consumer rights.
6. The Agency shall be entitled to invite parties/interested persons when investigating a case to obtain explanations, as well as to convene advisory meetings.
7. Where appropriate, during the investigation of a case, the Agency shall be entitled to make a decision on commissioning an expert examination if an expert opinion is required to make a justified decision on the case. If the fact of violation of consumer rights is confirmed, the trader shall fully compensate the expert examination fees.
8. During the investigation of a case by the Agency with regard to unfair commercial practices, and when there is an urgent need, and any delay may cause the destruction of the data necessary for the case or make it impossible to obtain the data, the Agency shall be entitled to apply to a court with a motion to temporarily suspend a certain action of a trader, on the grounds that the failure to take such measure would make it more difficult or impossible to investigate the case, restore the violated right or exercise the disputed right, and would cause irreparable and direct damage, or such damage as cannot be compensated by imposing an obligation on the trader to compensate the damage.

Article 33. Decision of the Agency

1. As a result of the investigation of a case, the Agency is obliged to make a decision with regard to the confirmation or rejection of the rights of a group of consumers within the period determined by Article 32 of this Law.
2. In the case of the confirmation of a violation of the rights of a group of consumers, the Agency shall determine a period for a trader to meet one of the following or both of the conditions given below:
 - a) the restoration of a violated right;
 - b) the termination of an action prohibited by this Law.
3. A decision made by the Agency as a result of the investigation of a case shall be sent to a trader within 3 working days.



4. A trader shall deliver information to the Agency regarding the measures taken to restore the rights violated by it and/or to terminate the action prohibited by this Law not later than 5 working days from the expiry of the time limit determined by the Agency.

5. For the failure to execute or for the improper execution of a decision of the Agency in accordance with paragraph 2 of this article and within the determined period, the Agency shall impose a penalty on a trader in accordance with Article 34 of this Law.

6. A decision of the Agency shall include:

a) the details of the trader, whose case was under investigation;

b) the description of the facts;

c) the information regarding the case received and processed by the Agency;

d) the justified assessment of the Agency;

e) the actions to be performed by the trader and an appropriate period required for the eradication of the violation of the rights of the group of consumers, the restoration of the violated right and/or the termination of the action prohibited by this Law.

7. The Agency shall publish the full text of its decision on its official website within 3 working days after the decision is made, including the grounds for making such decision, except for confidential information as determined by law.

8. Before the investigation of a case is completed, the Agency shall review possible obligations offered by the trader in order to eradicate the alleged violation. If the Agency considers that the fulfilment of possible obligations assumed by the trader eradicates the risk of the alleged violation, it shall agree on possible obligations and shall terminate the investigation of the case without the assessment of the fact of the alleged violation of law.

9. In the case provided for by paragraph 8 of this article, the Agency shall conclude a written contract with the trader on the terms and for the period required for the fulfilment of obligations. Information on the matter shall be published on the official website of the Agency.

10. The Agency shall be entitled to resume the investigation of a case, the period of which shall not exceed one month, if:

a) the trader fails to fulfil or improperly fulfils the assumed obligations within the period determined in the written contract concluded between the trader and the Agency;

b) the assumed obligations are based on false, incorrect or misleading information provided by the trader.

11. The rules and procedures for investigating a case shall be developed and approved by the Agency.

Article 34. Penalties

1. When a trader fails to execute or improperly executes a decision of the Agency within the period determined by the Agency, the trader shall be penalized. The amount of penalty shall not exceed 2 % of the annual turnover of the trader for the preceding financial year.

2. If, due to the date of the establishment of the trader who has been fined, the annual turnover of the preceding financial year cannot be calculated, the amount of penalty shall be determined from the turnover calculated according to the period from the establishment of the trader to the time when the fine was imposed.

3. The amount of penalty shall be determined taking into account the nature, the gravity and the duration of the violation.

4. If, during a period of 12 months, a trader commits a violation repeatedly, he/she shall be subject to a penalty which is double the amount of the previously imposed penalty.

5. The imposition of the penalty shall not release the trader from the obligation to execute the decision of the Agency.

6. The trader shall pay the penalty within 1 month from the imposition of the penalty.



7. The penalty shall be paid to the State Budget of Georgia.

8. If the penalty is not paid, its payment shall be enforced immediately in accordance with the procedures established by the legislation of Georgia.

Article 35. Appealing a decision of the Agency

A decision of the Agency may be appealed in a court in accordance with the procedures established by the legislation of Georgia, within 30 calendar days after such decision was made. The appeal of a decision of the Agency on the identification of a violation shall not deprive the Agency of the right to exercise powers provided for by Article 33(5) of this Law and to impose a relevant penalty on a trader.

Article 36. Annual report on the activity of the Agency

Annually, not later than 1 May, the Agency shall submit to the Parliament of Georgia and the Government of Georgia a report on its activities carried out in the field of the protection of consumer rights. The report shall be made public and shall be published on the official website of the Agency.

Article 37. Participation of non-entrepreneurial (non-commercial) legal entities in the protection of consumer rights

Non-entrepreneurial (non-commercial) legal entities shall be entitled to participate in the protection of consumer rights, in particular in the development and implementation of the policy of the protection of consumer rights, including to:

- a) participate in the preparation of an appropriate application in the case of a violation of the rights of a group of consumers determined by this Law;
- b) cooperate with associations of entrepreneurs and relevant public authorities in order to protect the rights of groups of consumers;
- c) facilitate the resolution of a dispute through mediation;
- d) participate in information campaigns and educational programmes related to issues of raising of the awareness of consumers.

Chapter VIII Transitional and Final provisions

Article 38. Transitional provision

By 1 October 2022, the Agency shall develop and approve a relevant legal act provided for by Article 33(11) of this Law.

Article 39. Entry into force of the Law

1. This Law shall enter into force from 1 June 2022 except for Articles 28, 29(2) to (4) and Articles 30 to 36 of this Law.
2. Articles 28, 29(2) to (4) and Articles 30 to 36 of this Law shall enter into force from 1 November 2022.



President of Georgia

Salome Zurabishvili

Tbilisi,

29 March 2022

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