

# **Law of Georgia on Public Register**

## **Chapter I. General Provisions**

### **Article 1. Scope of the Law**

1. This Law determines organizational and legal grounds of maintaining the Public Register as well as the rights and obligations of the National Agency of Public Register, a public law entity under the Georgian Ministry of Justice – a body in charge of maintaining the Public Register. (20.12.2011; #5565; to become effective on 1 January 2012)
2. This Law does not apply to legal relations related to registration of property titles to mechanical vehicles.

### **Article 2. Definition of terms**

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

- (a) Immovable Thing: a land plot with or without a building thereon, a building (under construction, already built or demolished) or a linear building;
- (b) Movable Thing: any thing, which is not an immovable thing according to the Civil Code, except mechanical vehicles, aircraft and boats;
- (c) Registration Object: an immovable or a movable thing or an intangible asset;
- (d) A linear building: a communications building, a motor road, a railroad, all types of pipelines, a tunnel, a ropeway, electricity transmission wiring, liaison wiring, a cable railway, a dam or a ditch;
- (e) Categories of agricultural land plots: pastures, mowing lands, arable lands (lands with perennial plants, gardens, kitchen gardens) and homestead land plots;
- (f) Alteration of the category of an agricultural land plot: transfer of an agricultural land plot from a lower fertility to a higher fertility land category according to the sequence shown in paragraph (e) of this Article;
- (g) Interested Person: any natural person or legal entity, an organizational entity or an administrative body whose lawful interests are directly and immediately affected by the Agency's decision or action;

- (h) Registration: the act of entering the following data into the relevant register, based on a registration decision: a right prescribed by this Law to a thing or an intangible asset; a restriction under public law and a tax lien/mortgage<sup>\*</sup>; emergence, amendment or termination of any obligation related to a title to an immovable thing; abandonment of title to an immovable thing; alteration of the purpose of a land or of the category of an agricultural land plot; determination / alteration of forest boundaries; numbering of and data concerning geographical objects, a system of geographical objects or any parts thereof; identification data of the subject and the object of a thing or an intangible asset; mandatory registration data of entrepreneurial and non-entrepreneurial (non-commercial) persons envisaged by the Law of Georgia on Entrepreneurs and the Georgian Civil Code as well as any amendments in or termination of these data; emergence, amendment or termination of any obligation restricting the titles of partners to their shares in limited liability companies or limited liability partnerships. (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
- (i) Registration Proceedings: Agency's activities to perform Registration;
- (j) Registration Document: a primary legal document giving rise to a right to demand Registration under this Law;
- (k) Registration documents: a Registration Document and other documents to be submitted to a Registering Organ for registration;
- (l) Accuracy of cadastral data: identity between the cadastral data of an immovable thing (or any part thereof) and the cadastral data of the immovable thing (or any part thereof) to which title is registered;
- (m) Authorization Holder: a natural person or a legal entity who has been authorized, based on an agreement concluded with the Agency, to maintain the Public Register and/or access information kept at the Public Register and who carries out its activities on the basis of this Law, under its own responsibility.
- (n) Legitimate Possessor: an Interested Person whose Registration Document giving rise to a right to demand registration of title has been issued, adopted or drafted before any attachment or prohibition of use was registered to the Registration Object and the Registration Document was issued, adopted or drafted before the entry into force of this Law or where the Georgian legislation

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<sup>\*</sup> Translator's comment: the term "lien" is used further in the translated text to denote a concept under Article 254 of the Georgian Civil Code, which provides that a movable thing or an intangible asset (a collateral) may be transferred to another person as security for a claim whereby the creditor can use (sell or take ownership of) the collateral to satisfy his claim should the debtor fail to perform or duly perform its obligations. The term "mortgage" denotes a concept under Article 286 of the Civil Code, which is essentially the same as "lien" with the only major difference that "lien" is used in relation to movable things and intangible assets and "mortgage" is used in relation to immovable things.

expressly provides that the Registration Document must be issued, adopted or drafted irrespective of any attachment or prohibition of use as well as a person who is a legal successor of a proprietor of a thing on which a restriction under public law referred to in this paragraph exists; (3.11.2009; #1962)

- (o) Maintenance of the Public Register: the making of Registers referred to in this Law;
- (p) Fee for Services provided by the Agency: a sum that is mandatorily payable (in cash or by a non-cash method) by a person to the Agency's account for the services provided by the Agency according to the amounts determined by a Resolution of the Government of Georgia; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
- (q) Extract from the Public Register: an extract from the Register of Titles to Immovable Things, the Register of Titles to Movable Things and Intangible Assets or the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
- (r) Notice: Information or an application submitted for registration about the emergence of a right to a movable thing or intangible asset;
- (s) Access to Information: Ensuring the freedom of viewing and obtaining information and documents kept at the Public Register and the Registering Organ;
- (t) Numbering: assigning numbers to streets, avenues, alleys, highways, lanes, dead ends, squares, parks, boulevards, and entrances and apartments in multi-flat houses using Arabic numbers, Georgian alphabet characters and/or indices; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
- (u) Geographic Object: a unit of an immovable property of natural or manmade origin, which is an object of legal relations; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
- (v) Assigning an address: the marking of Geographic Objects, a system of Geographic Objects or any parts thereof using Arabic numbers, Georgian alphabet characters and/or indices, for identification purposes; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

### **Article 3. The system of Registering Organs and their powers**

1. The Agency, which is a Registering Organ implementing powers under public law according to this Law, ensures the maintenance of the Public Register and Access to Information;
2. The Agency's functions are:
  - (a) to perform Registration;

- (b) to ensure Access to Information;
  - (c) to develop methodology instructions for its territorial registration offices and Authorization Holders;
  - (d) to perform other powers prescribed by the Georgian legislation;
  - (e) to perform individual types of services for taxpayers envisaged by the Georgian tax legislation based on agreements concluded between tax authorities and the Agency; (22.02.2011; #4208)
  - (f) to implement the Numbering of and register data concerning Geographical Objects, a system of Geographical Objects or any parts thereof located on the territory of the Town of Tbilisi. (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
3. The Agency performs its functions either by itself or through its territorial registration offices and Authorization Holders.
  - 3<sup>1</sup>. Agency's functions as envisaged by the Georgian legislation may be carried out by an administrative body on the basis of an agreement concluded with the Agency or a legal act issued by the Minister of Justice of Georgia. (20.12.2011; #5565; to become effective since 1 January 2012)
  4. The Agency uses software and automated management system to maintain the Public Register and ensure Access to Information.
  5. A tax lien/mortgage or other restriction under public law imposed by a court or other administrative body may be registered based on documents received through an electronic document flow system on the basis of a memorandum concluded between the Agency and the relevant court or other administrative body.
  6. A Registering Organ and its employee are not responsible for the validity of registration documents submitted. They are responsible only for the compatibility of the registered data with the registration documents or other documents stored by them and their safety.
  7. A Registering Organ is authorized to verify copies of legal acts and other documents issued by the same Registering Organ as well as copies of registration documents and other documents kept by the same Organ, if the contents of the copies are identical to those of the originals.
  8. A copy of a document verified by a Registering Organ has an official force confirming its identity to the original.
  9. The Regulations of the Public Register (hereinafter, "the Regulations") approved by the Minister of Justice determine rules and conditions of use of an automated management system as well as rules and conditions for document verification.

10. A Resolution of the Government of Georgia determines rates of fees for services provided by the Agency, terms of provision of services by the Agency, rules and conditions of payment of the fees, liberation from the payment of the fees and refund of paid fees. (20.12.2011; #5565; to become effective since 1 January 2012)

#### **Article 4. Structure of the Public Register**

1. The Public Register is comprised of the Register of Titles to Immovable Things, the Register of Restrictions under Public Law, the Register of Tax Liens/Mortgages, the Register of Titles to Movable Things and Intangible Assets, the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities and the Register of Addresses; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
2. The Register of Titles to Immovable Things is a collection data about titles to immovable things, obligations related to titles to immovable things and any changes therein or terminations thereof, and occurrences of abandonment of titles to immovable things.
3. The Register of Restrictions under Public Law is a collection of data about attachment, restriction of use or prohibition of use of a right imposed by a court or other administrative body upon a thing or an intangible asset according to rules prescribed by law as well as about emergence of prohibition of registration or any changes therein or termination thereof.
4. The Register of Tax Liens/Mortgages is a collection of data about emergence of a tax lien (mortgage) upon a thing (except mechanical vehicles) and an intangible asset or any changes therein and terminations thereof.
5. The Register of Titles to Movable Things and Intangible Assets is a collection of data about registration of titles to movable things and intangible assets and any changes therein or terminations thereof.
6. The Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities is a collection of mandatory registration data of entrepreneurial and non-entrepreneurial (non-commercial) persons envisaged by the Law of Georgia on Entrepreneurs and the Georgian Civil Code as well as any changes in or termination of these data; (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)
7. The Register of Addresses is a collection of data about numbering of streets, avenues, alleys, highways, lanes, dead ends, squares, parks, boulevards as well as buildings, apartments, commercial areas and land plots. (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

## **Article 5. Presumption of accuracy of data registered in the Public Register**

Data registered in the Public Register shall be presumed to be accurate until they are declared invalidated, void or completely null according to the rules established by the Georgian legislation.

## **Article 6. Access to information**

1. Data registered in the Public Register and documents kept at Registering Organs are public and accessible for viewing by any person except in the events determined in the Georgian legislation.
2. An applicant or a person authorized to do so as well as – in the events determined by the Georgian legislation – other persons or administrative bodies acting on the basis of a relevant act of court – may request the originals of documents kept at a Registering Organ if the documents have been submitted to the Registering Organ for registration or other purposes and the Registering Organ has made a decision suspending the registration proceedings, rejecting the request stated in the application or terminating the registration proceedings.
3. A mere request for originals or copies of documents kept at a Registering Organ or any documents created by the Registering Organ as a result of registration will not suspend the operation of the registered data and will not constitute a bar to releasing extracts or other documents or information from the Public Register.
4. The Regulations determine rules and conditions for viewing and requesting originals or copies of information and documents kept at Registering Organs.
5. The restrictions referred to in the second paragraph of this Article do not apply whenever the Agency, for the purpose of putting the archived materials into order and in the events indicated in an Order of the Agency's Chairperson, returns documents to the applicant or a person authorized by the applicant to receive such materials.

## **Article 6<sup>1</sup>. Rules of decision-making on access to information** (3.11.2009; #1962; to become effective since 1 January 2010)

1. When release of information is requested, the Registering Organ will allow the interested person a 30-day term for the submission of additional information or documents, if
  - a) the meaning of the request is unclear or the requested information cannot be identified;
  - b) the application is not accompanied with a document or piece of information indicated in this Law or the Georgian legislation;
  - c) there are other circumstances envisaged by the legislation.

2. If, in connection with a request for release of information, the interested person has been allowed a term for the submission of additional information or documents, a term for examination of the interested person's application will be deemed suspended. A relevant decision of the court or other authorized official / body will also constitute a basis for the suspension of the flow of term for the examination of the application. The flow of the examination term will be renewed only after the requested document / information has been submitted or the grounds for suspension have been eliminated.
3. An application will remain unexamined if the interested person fails to submit the required documents / information during the suspension.
4. Grounds and rules for refusing release of information are determined in this Law, the Regulations and the Georgian legislation.
5. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)
6. The Registering Organ shall issue a relevant decision should it decide to reject the application for release of information, to determine a term for submission of additional information or documents, to renew the flow of the term for examination of the application or to leave the application for the release of information unexamined.
7. The Registering Organ's decision rejecting the application for release of information, determining a term for submitting additional information or documents, renewing the flow of the term for examination of the application or leaving the application for the release of information unexamined may be challenged in accordance with rules established by the Georgian legislation.

#### **Article 7. General principles governing the maintenance of the Public Register and accessibility**

1. The Agency is authorized to accept and issue any document, which it has created or has been storing, in an electronic format.
2. Electronic copies of the documents referred to in the first paragraph of this Article and their hardcopy printouts shall have the same legal force of the documents themselves.
3. The Agency is authorized to accept, issue or release any information and/or documents using its automated unified management systems. Where this is the case, applications and accompanied data as well as documents may be issued by any territorial registration office or Authorization Holder.
4. In documents issued or released by the Agency, data may be entered using mechanical and/or electronic means.

#### **Article 8. Registration proceedings; commencement of the proceedings**

1. Registration proceedings may be commenced on the basis of an application or an authorized body's decision.
2. An application must be accompanied with registration documents and information indicated in the Regulations.

2<sup>1</sup>. Deleted (22.02.2011; #4208)

3. On a case-by-case basis, a Registering Organ may demand submission of any additional document or information in connection with the registration proceedings, which is necessary for making decision on the issue indicated in the application.

#### **Article 9. General principles of registration**

1. Registration will be performed on the basis of both primary Registration Documents and other documents or duly generated electronic copies thereof.
2. A Registering Organ confirms receipt of an application by entering the electronic or the hardcopy version of the application into the Registration Book and assigning a registration number thereto. An application submitted using the automated management system will be registered only after the registration fee has been paid.
3. Registration will result in the Registering Organ producing an extract [from the Public Register] and, if, as a result of the registration, a title was registered to an immovable thing to which no title had been registered in the Register of Titles to Immovable Things, also a cadastral plan. This rule does not apply to registration of restrictions under public law and tax liens/mortgages or titles to movable things and intangible assets. (27.04.2010; #2980)

#### **Article 10. Extract from the Public Register**

1. An extract from the Register of Titles to Immovable Things will be produced on the basis of a unified data bank of the Register of Titles to Immovable Things, the Register of Restrictions under Public Law and the Register of Tax Liens/Mortgages and will contain data about any titles to the immovable thing, restrictions under public law, tax liens/mortgages and abandonment of titles, in force at the moment the extract was produced.
2. An extract from the Register of Titles to Movable Things and Intangible Assets will be produced on the basis of a unified data bank of the Register of Titles to Movable Things, the Register of Restrictions under Public Law and the Register of Tax Liens/Mortgages and will contain data about titles to the movable things and intangible assets, restrictions under public law and tax liens/mortgages, in force at the moment the extract was produced.
- 2<sup>1</sup>. An extract from the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities will be issued on the basis of a unified data bank of the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities, the Register of Restrictions under Public Law, the Register of Tax Liens/Mortgages, the Register of Titles to Movable Things and Intangible Assets and the Debtors' Register and will contain in-force data about the subject, kept at those Registers. For limited liability companies and limited liability partnerships, an extract must also contain information about any obligation related to restriction of titles to the partners' shares. (25.05.2010; #6324; to become effective on the 15<sup>th</sup> day following its publication)



3. An extract from the Public Register will be issued to anyone. It shall be produced together with a registration decision or, if the data are already registered, after a relevant fee is paid. (3.11.2009; #1962; to become effective since 1 January 2010)
4. Only an extract from the Public Register will be used as a proof of authority of an interested person when registering transactions or performing other legal actions related to immovable things, except in the event of ascertaining the right to inheritance.

## **Chapter II. The Register of Titles to Immovable Things**

### **Article 11. Rights and obligations subject to registration in the Register of Titles to Immovable Things**

1. The following are subject to registration in the Register of Titles to Immovable Things:
  - a) property title;
  - b) alienable and hereditarily transferrable right to build; mortgaging the alienable and hereditarily transferrable right to build;
  - c) usufruct;
  - d) servitude;
  - e) mortgage;
  - f) rental and sub-rental;
  - g) lease and sub-lease;
  - h) gratuitous lending;
  - i) finance lease;
  - j) public law titles related to use and possession;
  - k) obligations related to property titles to immovable things.
2. In addition to data about the registered title, the identification data of the subject and the object of the title, including cadastral data of the immovable thing, must be entered into the Register of Titles to Immovable Things.
3. Titles referred to in subparagraphs (b) – (k) of the paragraph 1 of this Article may be registered only if a property title to an immovable thing is registered in the Register of Titles to Immovable Things.

4. Data registered concerning the titles referred to in subparagraphs (b) – (j) of paragraph 1 of this Article will be transferred unchanged to a new proprietor, except when otherwise prescribed by the Georgian legislation.
- 4<sup>1</sup>. A restricted title to an immovable thing will be registered together with the relevant restriction / obligation. (27.04.2010; #2980)
5. Titles referred to in subparagraphs (a) – (e) of the paragraph 1 of this Article and, in case of transactions concluded by private law entities for a period of more than 1 year (including transactions with an aggregate term of validity exceeding 1 year) – also the title referred to in subparagraphs (f) – (i) and (k) of paragraph 1 of this Article, will gain validity only if they are registered in the Public Register. (22.02.2011; #4208)
6. Rules of registering mortgage certificates are determined in the Regulations.

#### **Article 12. Preliminary registration of a title to an immovable thing**

1. For the purpose of securing registration of a title to an immovable thing, preliminary registration of such a title in the Register of Titles to Immovable Things is admissible according to rules established by this Law.
2. Preliminary registration of a title to an immovable thing excludes registration of any other title to the same thing, unless the parties have agreed otherwise.
3. Preliminary registration of a title to an immovable thing will be annulled:
  - a) as a result of registering the title that has been secured by the preliminary registration;
  - b) as a result of expiry of a term, if such a term existed;
  - c) on the basis of a written agreement of the parties.

#### **Article 13. Priority of registration and registered rights**

1. If registration of several titles is requested in relation to the same object and, by their content, these titles are mutually exclusive, only the title(s) submitted for registration earlier than other titles will be registered.
2. If registration of several titles having the same content is requested in relation to the same object and these titles are not mutually exclusive, they will be registered according to the order of timing of their submission for registration.
3. If registration of several titles having different contents is requested in relation to the same object and these titles are not mutually exclusive, they will be registered according to the order suggested by their contents.
4. Priority of registered titles will be determined according to the time when the application for the registration of the title was submitted (application registration timing), unless the law prescribes otherwise.

#### **Article 14. Registration of abandonment of a property title to an immovable thing**

1. Abandonment of a property title to an immovable thing is also subject to registration in the Register of Titles to Immovable Things.
2. Abandonment of a property title to an immovable thing will be registered only if, at the moment the registration of abandonment of the title to the immovable thing was requested, no titles other than the property title are registered to the immovable thing in the Register of Titles to Immovable Things.
3. A property title to an immovable thing will be deemed abandoned from the moment the abandonment of the title to an immovable thing is registered in the Register of Titles to Immovable Things.
4. A property title to an immovable thing, after it is abandoned, passes to the State.

#### **Article 15. Registration and alteration of the type of a land plot and the category of an agricultural land plot**

1. A land plot will be registered as either an agricultural or a non-agricultural land plot; the category of an agricultural land plot will be registered according to the document confirming the title. If the document confirming the title does not specify and its content is insufficient to ascertain the type of a land plot and/or the category of an agricultural land plot, registration will be effected on the basis of additional information submitted about the type of the land plot and/or the category of an agricultural land plot or the interested person's application.
2. The following will be registered in the Register of Titles to Immovable Things:
  - a) alteration of the type of a land plot from agricultural to non-agricultural; (24.06.2011; #4947; to become effective on the 15<sup>th</sup> day following its publication)
  - b) alteration of the category of an agricultural land plot.
3. The Regulations determine rules and conditions of registering the alteration of the type of a land plot or of the category of an agricultural land plot.

#### **Article 15<sup>1</sup>. Registration of forest boundaries and changes therein** (24.06.2011; #4947; to become effective on the 15<sup>th</sup> day following its publication)

1. The Agency will register boundaries of State-owned forests based on a relevant act of the Government of Georgia; changes in the boundaries will be registered according to rules described in paragraphs 3 and 4 of this Article.
2. Boundaries of State-owned forests will be changed through making corrections to the boundaries.
3. Corrections to the boundaries of State-owned forests will be registered based on a request of the Georgian Ministry of Economy and Sustainable Development.

4. Boundaries may be corrected based on an application of a proprietor or a legal possessor of a land plot if the registration document, which gives rise to a right to demand registration of property title, has been issued, adopted or drafted before 1 January 2012.

**Article 15<sup>2</sup>. Rules of ascertaining boundaries of a factually possessed land plot** (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

1. Ascertainment of boundaries of a factually possessed land plot as well as any changes therein or terminations thereof will take place based on a request of a local self-governance body accompanied with a cadastral measurement plan drawn up according to rules established by law.
2. Boundaries of a land plot will be ascertained by means of registration; an extract from the Register of Titles to Immovable Things issued as a result of such registration will contain information only about the factual possessor and the factually possessed area.
3. Ascertainment of boundaries of a factually possessed land plot will not serve as a bar for registering a property title to the same land plot according to rules established by the Georgian legislation. In this case, information about factual possession registered in the Public Register will be regarded invalidated and the relevant local self-governance body will be notified accordingly.

### **Chapter III. The Register of Titles to Movable Things and Intangible Assets**

**Article 16. Titles subject to registration in the Register of Titles to Movable Things and Intangible Assets**

1. The following are subject to registration in the Register of Titles to Movable Things and Intangible Assets:
  - a) lien;  
  
(a lien except financial lien registration of which is governed by the Law of Georgia on Payment System and Payment Services (25.05.2012; #6309; to become effective since 1 July 2012) )
  - b) finance lease;
  - c) bank guarantee. (07.12.2010; #3888)
2. The right of lien envisaged by subparagraph (a) of the first paragraph of this Article will gain validity only if the right is registered in the Public Register.
3. The right of lien upon shares of partners in a limited liability company or a limited liability partnership will be registered in the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities. (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

## **Article 17. Grounds for registration**

1. Emergence of a title to a movable thing or an intangible asset as well as any changes therein or terminations thereof will be registered on the basis of a Notice (information and/or a document) submitted by an applicant or other information and/or documents envisaged by the Regulations.
2. A Registering Organ must make a relevant decision immediately after an application for registering a title to a movable thing or an intangible asset is registered.
3. Rules of submission of data as grounds for registration are set out in the Regulations.
4. A Registering Organ takes no responsibility for a person's authority to demand registration of a title to a movable thing or an intangible asset or any changes therein or termination thereof; nor shall such an Organ be responsible for the validity of a notice and data provided by such persons.

## **Article 18. Duty to notify about a request to register a title in the Register of Movable Things and Intangible Assets**

A creditor or a debtor who has requested registration of a title, changes in a registered title or termination of a registered title based on a notice must inform the other party about information on registration within a week.

## **Chapter IV. The Register of Restrictions under Public Law and the Register of Tax Liens/Mortgages**

### **Article 19. The Register of Restrictions under Public Law**

1. The Register of Restrictions under Public Law is a collection of data about attachment, restriction of use or prohibition of use of a title imposed by a court or other administrative body upon a thing or an intangible asset according to rules prescribed by law as well as about emergence of prohibition of registration or any changes therein or termination thereof.
2. Registration of a restriction under public law upon a thing or an intangible asset constitutes a bar for registering any other title or abandonment of a property title to the thing or asset, unless the relevant registration documents envisages otherwise.
3. If a legal act imposing a restriction under public law does not expressly contain a prohibition to register termination of a title and/or the title is not an object of a restriction under public law, the restriction referred to in the second paragraph of this Article shall not apply to:
  - a) registration of a property title of a legal possessor of an immovable thing that has been attached or the use of which has been restricted as well as registration of a title emerged as a result of forced use according to the rules established by the Georgian legislation of an attached thing or asset; (3.11.2009; #1962)
  - b) registration of changes in the identification data about the subject and the object of the title;

- c) termination of a registered title (except a property title).
- 4. A restriction under public law may not be registered if, by the time a request for registration of a restriction under public law upon a thing or an intangible asset has been submitted, the thing or the intangible asset is owned (through a property title) by another person and/or the registration document giving rise to the right to demand registration of a property title has been issued, adopted or drafted before the attachment or prohibition of use of the object has been registered; in addition, the registration document must have been issued, adopted or drafted before the entry into force of this Law. (3.11.2009; #1962)
- 5. If registration of a restriction under public law has been requested and, before the registration decision is made, another registration has also been requested that contradicts the content of the said restriction under public law, a decision must be made about the registration of the restriction under public law in the first place and then about another title submitted for registration.

#### **Article 20. The Register of Tax Liens/mortgages**

- 1. The right of a tax lien/mortgage may be registered upon things (except mechanical vehicles) and intangible assets.
- 2. A tax lien/mortgage may not be registered if, by the time a request for registration of a tax lien/mortgage upon an immovable thing has been registered, the thing or the intangible asset is owned (with property title) by another person.

### **Chapter IV<sup>1</sup>. The Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities** (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

#### **Article 20<sup>1</sup>. Principles of maintaining the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities** (25.05.2012; #6324; to become effective on the 15<sup>th</sup> day following its publication)

- 1. Subject to registration in the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities are the data concerning the emergence of persons envisaged by the Law of Georgia on Entrepreneurs and the Georgian Civil Code, including any changes in and terminations of such data, as well as data on the emergence of any obligation, including any changes in and terminations of such data, which restrict titles of partners to their shares in limited liability companies or limited liability partnerships.
- 2. The Law of Georgia on Entrepreneurs and the Civil Code of Georgia determine grounds of registration of subjects in and the rules of maintenance of the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities. Additional conditions for registration are determined in the Regulations on the Registration of Entrepreneurs and Non-entrepreneurial (non-commercial) Legal Entities approved by the Georgian Minister of Justice.

3. A subject will be deemed created, any registered data amended and any registration terminated after a decision to register the same in the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities comes into force.
4. As a result of registration, a Registering Organ shall produce an extract (from the Public Register). This rule does not apply to registration of restrictions under public law and tax liens/mortgages or titles to movable things and intangible assets; however, the rule applies to registration of liens/mortgages upon the shares of partners in limited liability companies and limited liability partnerships as well as of any changes in or terminations of the registration.
5. An extract from the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities shall be produced in the Georgian language; upon request of an interested person, the extract may also be produced in the English language. If an extract is produced in the English language, it must also be provided in the Georgian language.
6. If the documents submitted for registration indicate that the subject's activities are related to manufacturing, processing, distribution or sale of food / animal food and to food production objects, a Registering Organ will make a registration decision about the subject's activity according to rules prescribed by the Law of Georgia on Entrepreneurs and the Regulations on the Registration of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities.
7. If a Registering Organ registers a subject's activities according to rules referred to paragraph 6 of this Article, it will produce information about the subject's activities from the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities according to the form determined in the Regulations on the Registration of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities.
8. Information about the activities of a subject from the Register of Entrepreneurs and Non-Entrepreneurial (non-commercial) Legal Entities shall be produced in the Georgian language; upon request of an interested person, the information may also be produced in the English language. If the information is produced in the English language, it must also be provided in the Georgian language.

## **Chapter V. The making and the challenging of registration decisions**

### **Article 21. Suspension of registration proceedings**

1. A Registering Organ will make a decision suspending registration proceedings if:
  - a) an application is not supported with documents or information envisaged by the Georgian legislation that are necessary for making a decision on the issue raised in the application and/or if the fee for services provided by the Agency has not been paid;
  - b) an application or its supporting documents or information are not submitted in the form and according to rules prescribed by the Georgian law;

- c) an application or its supporting documents or information do not provide sufficient means to identify the object and the subject and/or the proprietor or the legal possessor of the object of a title to a movable thing or intangible asset, obligations related to a title to an immovable thing and any changes in or terminations thereof, restrictions under public law or a tax lien/mortgage;
  - d) cadastral data of an immovable thing submitted for registration and of the immovable thing registered in the Public Register are identical within the margin of accuracy prescribed in the Regulations or if the area of an immovable thing according to the cadastral data exceeds the area of the immovable thing indicated in the document confirming title to the thing.
  - e) it become officially known to the Registering Organ that a Registration Document or other documents or any part thereof has been challenged and the challenging procedure is of a nature that warrants suspension of the validity of the Registration Document or other documents or any part thereof;
  - f) it has received a final act of court (arbitral tribunal) envisaging the suspension of the registration proceedings; (26.06.2009; #1348; to become effective since 1 January 2010)
  - g) there are circumstances described in Article 25 of this Law;
  - h) registration of a title to a land plot, an obligation related to a property title to a land plot or any alterations or terminations thereof has been requested but the Registering Organ does not have cadastral data of the land plot or the cadastral data kept at the Registering Organ are inconsistent with the requirements established by the Regulations;
  - h<sup>1</sup>) documents submitted for registration have been forwarded to a relevant law enforcement body for the purpose of ascertaining their lawfulness; (24.06.2011; #4947; to become effective on the 15<sup>th</sup> day following its publication)
  - i) there are other grounds envisaged by the Georgian legislation.
2. Registration proceedings may be suspended for 30 calendar days except in the events referred to in the third paragraph of this Article. The flow of this term will start on the date of officially getting acquainted with the suspension decision or, if the decision was published on the Agency's relevant website, on the date of its publication. This term may not be extended.
  3. In the events described in subparagraphs (e), (f) and (g) of paragraph 1 of this Article, registration proceedings will be suspended for a term indicated in a final act of the relevant authority.
  - 3<sup>1</sup>. Where the legal grounds for suspending Registration Proceedings under paragraphs 2 and 3 of this Article exist simultaneously, the registration proceedings will be suspended until the legal grounds for suspension are eliminated but for no less than 30 calendar days. (24.06.2011; #4947; to become effective on the 15<sup>th</sup> day following its publication)
  4. If, in the period of suspension of Registration Proceedings, information or a document confirming the elimination of the ground for suspension is submitted, a Registering Organ will make a decision renewing the Registration Proceedings.
  5. In case of renewal of Registration Proceedings, the counting of the term for the suspension of Registration Proceedings will start anew.



## **Article 22. Termination of registration proceedings**

A Registering Organ will make a decision terminating registration proceedings if:

- a) during the proceedings an applicant or a person authorized by the applicant to that effect demanded termination of the Registration Proceedings;
- b) no information or document confirming the elimination of the ground for suspension has been submitted in the period of suspended Registration Proceedings;
- c) in the period of Registration Proceedings, it becomes officially known to the Registering Organ that a title submitted for registration, an obligation related to the property title to an immovable property, a restriction under public law or a tax lien/mortgage or their subjects or objects no longer exist or the Registration Document and/or other documents has been declared invalidated, void or completely null;
- d) it has received a final act of court (arbitral tribunal) envisaging the termination of the Registration Proceedings; (26.06.2009; #1348; to become effective since 1 January 2010)
- e) there are other circumstances envisaged by the Georgian legislation.

## **Article 23. Denial of registration**

In the course of Registration Proceedings, a Registering Organ will make a decision denying a request for registration, if

- a) a title, an obligation related to a property title to an immovable thing, any changes therein or terminations thereof, the right of tax lien/mortgage, emergence of restrictions under public or any changes therein or terminations thereof, or the abandonment of a title to an immovable thing are not subject to registration;
- b) a title, an obligation related to a property title to an immovable thing, any changes therein or terminations thereof, a restriction under public law or a tax lien/mortgage, that are already registered, are of a nature that excludes registration of a proposed title, a restriction under public law or a tax lien/mortgage to the same immovable thing;
- c) the Registration Document has been issued, adopted or drafted by an unauthorized person;
- d) it has become known according to the established rules that the Registration Document has been annulled;
- e) it has received a final act of court (arbitral tribunal) envisaging denial of registration; (26.06.2009; #1348; to become effective since 1 January 2010)
- f) by the time registration is requested the property title has already been passed to a new proprietor;
- f<sup>1</sup>) the request for registration is identical to the already registered data; (24.06.2011; 4947; to become effective on the 15<sup>th</sup> day following its publication)

- g) there are other circumstances envisaged by the Georgian legislation.

#### **Article 24. Additional issues related to Registration Proceedings (3.11.2009; #1962)**

1. In the event described in Article 22(a) of this Law, restrictions envisaged by the Georgian legislation shall not apply to submission of an application on the same issue anew.
2. Restrictions under Article 92 of the General Administrative Code shall not apply to Registration Proceedings run by an Authorization Holder.

#### **Article 25. Suspension of the validity of registered data**

1. Validity of registered data will be suspended through the suspension of a registration decision, if:
  - a) the Registration Document has been challenged and the challenging procedure is of a nature that warrants suspension of the validity of the Registration Document;
  - b) a legal act of an authorized body suspending the validity of the registered data has been submitted;
  - c) there is a final convicting judgment of a court confirming that the Registration Document has been issued, adopted or drafted as a result of criminal conduct of a person.
2. During the period of suspension of the validity of registered data, no extract [from the Public Register] can be produced about the thing or the intangible asset and no title (except tax liens/mortgages), obligation related to a property title to an immovable thing or any changes therein or terminations thereof may be registered.

#### **Article 26. Annulment of registration**

1. Registration must be declared invalidated, if:
  - a) a Registration Document has been submitted that confirms the transfer or termination of a title;
  - b) a document confirming the title, which has been the basis for registration, has been declared invalidated, void or completely null;
  - c) the term of validity of the title has expired;
  - d) there are other circumstances envisaged by the Georgian legislation.
2. Declaring a registration invalidated will not entail restoration of the validity of a previously existing registration.
3. Registration must be declared void or completely null if:
  - a) the registration decision has been declared void or completely null;
  - b) a final act of court has been submitted, which confirms that the registration has been declared void or completely null;

- c) there are other circumstances envisaged by the Georgian legislation.
- 4. Consequences of declaring registration void or completely null shall be determined according to the rules prescribed by the Georgian legislation.
- 5. Annulment of registration may be challenged only through challenging the ground on which the registration was annulled.

## **Article 27. Decision of a Registering Organ**

1. A Registering Organ shall issue its decision about registration.
2. A Registering Organ's decision must be issued in writing and must contain the following information:
  - a) type of the decision;
  - b) header;
  - c) name and address of the Registering Organ;
  - d) date of issue and registration number;
  - e) reasoning and legal grounds;
  - f) name and address of a body where the decision may be challenged as well as a term for challenging the decision;
  - g) first name, last name and signature of the authorized person;
  - h) official stamp.
3. A title to a thing or intangible asset envisaged by this Law, an obligation related to a property title to an immovable thing, a tax lien/mortgage or a restriction under public law will be deemed to have been emerged, amended or terminated and a property title will be deemed to have been abandoned from the moment a relevant registration is issued, except when otherwise prescribed by this Law.
4. A decision may be amended using mechanical and/or technical means.
5. A decision may be issued using an automated management system. Decisions issued through an automated management system may not be meeting the requirements referred to in subparagraphs (e), (g) and (h) of paragraph 2 of this Article.
6. A decision enters into force immediately after its published according to rules envisaged by the Georgian legislation.
7. Publication of a decision on the official webpage of the Registering Organ will also be deemed as publication of the decision.
8. If a decision has been issued using an automated management system, the flow of any terms related to that decision shall start immediately after it is published.

9. Rules of issuing a decision, a form in which it must be issued and other legal grounds shall be determined in the Regulations.

#### **Article 28. Making technical corrections in the registered data**

Immediately after its discovery, a Registering Organ must rectify any technical error of its make, which is a result of inaccurate taking of data from the documentation or inaccurate calculation or a technical mistake.

#### **Article 29. Procedure for challenging a Registering Organ's decision**

1. An interested person may challenge a Registering Organ's decision within 30 calendar days after he/she officially gets acquainted with the decision or, if the decision was published, within the same term after its publication.
2. A Registering Organ's decision denying registration, suspending Registration Proceedings or terminating Registration Proceedings, except a decision concerning registration of a title to a movable thing or intangible asset, can be challenged according to rules established by the Georgian legislation.
3. A Registering Organ's decision registering a title, denying registration of a title to a movable thing or intangible asset, suspending Registration Proceedings or terminating Registration Proceedings may be challenged in the court. A Registering Organ's decision on registration may be challenged in the court.
4. Challenging a Registering Organ's decision on registration will not suspend the validity of the registered data and will not constitute a bar to issuing extracts or other legal acts [from the Public Register] based on such data, unless the authorized body has indicated otherwise.
5. Challenging a Registering Organ's decision on suspending registration proceedings, terminating registration proceedings or denying registration will not suspend the validity of the challenged decision.

#### **Chapter VI. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)**

Article 30. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

Article 31. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

Article 32. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

Article 32<sup>1</sup>. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

Article 33. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

Article 34. Deleted (20.12.2011; #5565; to become effective on 1 January 2012)

## **VII. Transitory and concluding provisions**

### **Article 35. Transitory provisions**

1. The Minister of Justice of Georgia shall ensure that Regulations of the Public Register are approved. Before the Regulations are approved, provisions of the Regulations on the Registration of Titles to Immovable Things approved by Order of the Minister of Justice No. 800 dated 13 December 2006 shall be applicable to the extent they do not contradict the requirements of this Law and the Georgian legislation.
2. Transactions that came into effect before the entry into force of the Civil Code of Georgia and that were not registered at the relevant Registering Organ within the terms established by the then-applicable legislation, shall constitute a basis for registering a title to an immovable thing.
3. Property title to an object of individual ownership shall be registered according to the total area of the object, which includes both residential and non-residential areas.
4. The following shall be declared invalidated:
  - a) an attachment of a thing or an intangible asset or other measure prohibiting registration or the use of a thing or an intangible asset, if the attachment or the prohibiting measure was registered before the entry into force of the Civil Code;
  - b) an attachment or other measure prohibiting registration or the use of a thing or an intangible asset, if a documentary proof of the reasoning thereof is not kept at the Registering Organ or if they are registered on the basis of an act of an unauthorized person or body;
  - c) a restriction under public law registered before the entry into force of this Law if it has been registered after a thing or an intangible asset had already been transferred into another person's ownership, and/or a registration document giving rise to a right to demand registration of property title that has been issued, adopted or drafted before the attachment or prohibition of use of the registration object has been registered. (3.11.2009; #1962)
5. Any tax lien/mortgage upon a thing or an intangible asset, if a documentary proof of the reasoning thereof is not kept at the Registering Organ or if it is registered on the basis of an act of an unauthorized person or body, is hereby declared invalidated. Tax liens/mortgages registered after a thing or an intangible asset had already been transferred into another person's ownership are also hereby declared invalidated.
6. If attachment or tax liens/mortgages are registered to things or intangible assets but a Registering Organ has not been furnished with documents (information) that are required by the Georgian law for identification of the proprietor / user (possessor) of the object to which the attachment or tax lien/mortgage is registered, the Registering Organ must address the body that has imposed the attachment or tax lien/mortgage with a request to identify the proprietor / the user (possessor) of the object of attachment or lien/mortgage. Such a body must, within a month after the request was made, submit to the Registering Organ documents (information) required by the Georgian legislation for identifying the proprietor / the user (possessor) of the object. Failure to comply with this obligation within the above-referenced one-month term shall constitute a basis for the Registering Organ to declare the registration of the attachment or the tax lien/mortgage invalidated.

**Article 36. Concluding provisions**

1. Upon entry into force of this Law, the following shall become invalidated:
  - a) Law of Georgia on Registration of Titles to Immovable Things;
  - b) Law of Georgia on the Fees for Services Provided by the National Agency of Public Register.
2. This Law shall enter into force on the 15<sup>th</sup> day following its publication.

President of Georgia

Mikheil Saakashvili

Tbilisi

19 December 2008

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