

LAW OF GEORGIA
ON LICENSING OF ENTREPRENEURIAL ACTIVITIES

CHAPTER I

GENERAL PROVISIONS

ARTICLE I

SCOPE OF THE LAW

1. This Law shall regulate relations related to licensing of the business related activities, determine types of licensed entrepreneurial activities, the license-issuing authorities and the order for issuance, suspension and elimination of a license.
2. The activity having influence over health or life of an individual, and the state security shall be subject to licensing according to this Law.
3. Types of activities, performance of which is subject to licensing, as well as the list of license-issuing authorities shall be determined in the Annex I to this Law. The licensing of the activities connected with the protection of the environment or rationale use of environmental resources shall be regulated by the special legislation. Articles 15-17 of this Law will cover license issued in accordance with such a special legislation mentioned in this paragraph.
4. This Law shall not cover:
 - a) the activities considered under Article 1.2 of the Law of Georgia on Entrepreneurs,
 - b) export and import of goods (products, work, service).

ARTICLE 2

DEFINITION OF TERMS

1. Business activity - activity, described by Art. 1 of the Law on Entrepreneurs.
2. License - a document, which permits, within the set period of time, and, under observance of fixed conditions, to conduct the activity indicated in the above document.
3. License seeker - a resident and non-resident person interested in obtaining a license.
4. License issuing authority – state agency, which is responsible for issuance of the licenses in accordance with this law.

5. License Register – list of data concerning the issuance, suspension and cancellation of licenses.
6. License-holder - a resident and non-resident, natural and juridical person who is entitled to carry out the activity established under the license.
7. License fee – the amount of money need to be paid pay by the license-seeker.

ARTICLE 3

LEGISLATION ON LICENSES

Legislation on the licensing consists of this Law and the normative acts adopted in accordance with the requirements of this Law.

ARTICLE 4

EQUALITY

According to this Law, activities both of resident and non-resident persons shall be the subject to licensing. All the resident and non-resident persons shall have the equal rights despite their legal form and the place of registration.

ARTICLE 5

TYPES OF ACTIVITIES ADMITTED UNDER A LICENSE

1. Highest governmental bodies of Adjarian and Abkhazian Autonomous Republics shall define by the normative acts the license issuing authorities.
1. This Law shall define the term of validity of the license, and grounds for its issuance.

ARTICLE 6

RIGHTS OF THE LICENSE ISSUING AUTHORITIES

1. The license issuing authorities:
 - a) issue licenses on activities in accordance with this law and performs the functions of the Register
 - b) carry out control over the implementation of the terms of the license.
 - c) suspend, renew, or cancel a license if it was found that the license holder had violated the terms of the license or the requirements of the legislation regulating the licensing.

- d) inform the Ministry of Justice about suspension, renewal or cancellation of the license.
 - e) publish the information on suspension, cancellation or issuance of the copy of the licenses in “Georgian Legislative News”.
2. The order of control over the implementation of the requirements of the licenses shall be described by the normative act issued by the license issuing authority thereto.
 3. A license issuing state agency informs the Ministry of Justice of Georgia as the state authority responsible for keeping records in State Register about suspension, renewal or cancellation of any license. By January 20 of each new year the license issuing authority shall transmit to the Ministry of Justice full set of licenses-related information, including but not limited to the number of appeals against the decisions of the Ministry of Justice. The Ministry of Justice shall define the order of submission of the information mentioned in this paragraph, as well as the order of its preparation.

CHAPTER 2

ORDER OF ISSUANCE OF THE LICENSE

ARTICLE 7

VALIDITY TERM OF THE LICENSE

1. Validity term of a license shall not be less than 3 years, except the commercial banks, for which the licenses shall be issued for indefinite term.
2. When the validity term of the license expires, it can be obtained (renewed) in accordance with this law.

ARTICLE 8

DOCUMENTS NEEDED FOR OBTAINING A LICENSE

1. A license shall be issued on the basis of a license seeker's application.
2. The application should contain the following:
 - a) for a natural person - name, family name, date and place of birth, occupation (place of work) and place of residence (legal address);
 - b) for a legal person - institutional and legal status, name of a company, location (legal address), full name of a person with representation authorities;
 - c) Type of the activity subject to licensing;
3. Article 3 of the “Law on activities of the commercial banks” shall describe the list of necessary documents necessary to obtain the license for the operation of the

commercial bank.

4. Enclosed to the application shall be the document proving the payment of a license fee.
5. Due to peculiarities of some activities described by this law, the list of additional documents needed for obtaining a license, may be determined only by a decree of the President of Georgia.

ARTICLE 9

CONSIDERATION OF DOCUMENTS PRESENTED

1. A license-issuing agency shall be obligated, within the period of 30 days, to consider the documents of a license seeker.
2. A license-issuing agency shall check whether the presented documents meet the conditions of licensing for the particular activity. For the above purposes, if needed, it carries out expert examination, including participation of invited experts.
3. Upon the consideration of documents the license issuing authority shall decide:
 - a) to grant the license,
 - b) to reject the application.
4. If the license issuing authority rejects to issue the license, it shall issue written refusal to the license-seeker, provided that the grounds for rejection of the application are clearly indicated.

ARTICLE 10

BASIS FOR REFUSING TO ISSUE A LICENCE

1. The license issuing authority may refuse the issuance of a licence only if:
 - a) the presented documents do not meet the requirements of this Law;
 - b) a licence seeker requests permission regarding the same activity for which he/she already had a licence which was cancelled, provided that one year has not passed since such a cancellation;
 - c) the license-issuing authority had suspended the license and the violation of the requirements of the license has not been exhausted yet by the license-holder;
 - d) the license-seeker does not meet the requirements of the licensing legislation.
2. Issuance of the license can not be refused on the grounds of quantitative restrictions but state security protection interests.

ARTICLE 11

LOSS OR DAMAGE OF A LICENSE

1. Shall a license be lost or damaged the owner of a license places a written application to the office in charge of issuing a license on the issue of a copy of the license.
2. The license issuing authority shall issue a copy of the license only after addressing the office in charge of maintaining the state license register on the possible amendments to the registry.
3. The relevant amendments should be made in the state license register on the issue of the copy of a license.
4. The copy of the license shall have the same legal force as the original license.

ARTICLE 12

LICENSE FEE

1. In a case of issuance of the license or of its copy both license-seeker and license-holder shall pay the license fee.
2. The amount of fee and the order of its returning back shall be defined by the legislation of Georgia.

CHAPTER 3

ARTICLE 13

SUSPENSION OF THE VALIDITY TERM OF A LICENSE. A LICENSE RENEWAL

1. A license issuing agency, on the basis of a respective decision, shall suspend the validity term of a license, provided a license holder violates terms of a license or requirements of the legislation on the licensed entrepreneurial activities;
2. A license holder shall be immediately notified in written form about a decision on suspending a license; this decision shall be published in the “Georgian Legislative News” within the period of 10 days from the date of taking the decision. Respective information shall be introduced into a license register.
3. Suspension of the license means the prohibition of the entrepreneurial activity allowed by the license before the renewal of the license.
4. The suspension of the license shall take effect before the elimination of the violations mentioned in paragraph 1 of this Article, but no more than 3 month from the issuance of the decision on suspension of the license.

5. Upon improving the circumstances causing suspension of a license, the license shall be renewed on the basis of a decision taken by the agency authorised to issue a license.
6. The decision on the renewal of the license shall be published in “Georgian Legislative News”.

ARTICLE 14

CANCELLATION OF A LICENSE

1. A license shall be cancelled in the following cases:
 - a) upon expiring the validity term of a license;
 - b) at the request of a license holder;
 - c) in the case of death or liquidation of a license holder;
 - e) expiration of the term of validity of the license;
 - f) in accordance with the Law on the activities of the commercial banks”;
 - g) systematic violation of the requirements of the legislation on the licensing of entrepreneurial activities.
2. The agency authorised to issue a license shall notify a license holder about cancelling the license, publish the information within the period of 5 days from the date of taking the decision.
3. In the case of cancelling a license the Authority:
 - a) shall inform the License holder in the written form, and
 - b) shall amend the institutional register and notify State Register Authority about the cancellation of the license;
 - c) shall publish in the “Georgian Legislative News” within the period of 10 days from the date of taking the decision.

CHAPTER 4

ARTICLE 15

LICENSE REGISTER AND ITS MAINTENANCE

1. There are two types of license registries:
 - a) institutional license registry;

- b) state license registry.
2. The license issuing authority shall include the information about the license into the institutional license register within three days after the adoption of a decision on a license.
 3. The following data shall be included into the institutional license register:
 - a) data on the owner of the license (organizational-legal type, name of the company, location, name and family name - if the owner of the license is a private person and his/her private address);
 - b) expiry date of a license;
 - c) activity under a license;
 - d) license number and date of issue;
 - e) data on the suspension, renewal, cancellation or issue of a copy of a license;
 4. The license issuing authority shall:
 - a) inform the office in charge of state license registry maintenance on the license data within 5 days after entering the data into the institutional license registry;
 - b) provide the periodical " Sakartvelos Sakanonmdeblo Matsne" (Georgian Legislation News) with the data on the suspension, renewal, cancellation or issue of a copy of a license;
 5. Ministry of Justice of Georgia establishes the state license registry. The state license registry aims at the creation of a full information database on the licensed entrepreneurial activities on the territory of Georgia.
 6. The information determined by the paragraph 3 of this Article shall be included into the state license register along with the legal address of the license issuing authority and the name of the license signatory.
 7. Everyone shall have the right to request in a written form any information regarding both the institutional and state license registers.

ARTICLE 16

NOTIFICATION ABOUT ENTREPRENEURIAL ACTIVITIES

1. Some types of entrepreneurial activities require the mandatory notification of the state agencies.
2. The list of the relevant activities and the appropriate state agencies shall be defined by Annex II to this Law.

3. The notification shall be made in written form and contain the following data:
 - a) for a natural person - name, address, data of the register, profession, and place of residence;
 - b) for a legal person - institutional and legal status, name of a company, location (legal address), full name of a person with representation authorities, his address;
 - c) indication of the type of the activity carried out and the place of business.
4. Entrepreneur shall make the notification no later than 15 days from the date when his business activity got started.
5. The relevant state authority shall issue the document verifying the acceptance of the notification in 3 days from receiving such a notification.

CHAPTER 5

DISPUTES RELATING TO THE LICENSING

ARTICLE 17

RIGHT TO APPEAL AGAINST

In accordance with the legislation of Georgia, a person concerned shall have the right to appeal against any decision taken by a license-issuing agency in relation to a license.

ARTICLE 18

RESPONSIBILITY FOR VIOLATION OF THIS LAW

Liability for performing the licensed activity considered under this Law, without a respective license shall be determined in accordance with the legislation of Georgia.

CHAPTER 6

TRANSITIONAL PROVISIONS

ARTICLE 19

LICENSES ISSUED PRIOR TO THE ENACTMENT OF THIS LAW

1. Only the types of entrepreneurial activity, envisaged by this law, shall be the subjects to licensing.
2. Holders of the licenses issued prior to entering this Law into force, and covered by it, shall be obligated to obtain a new license within the period of six months from the date the Law becomes effective.

3. Otherwise, their licenses shall be considered invalid.
4. Licenses, applications for issuance of which are filed prior to entering this Law into force, shall be issued in accordance with the requirements of this Law.

ARTICLE 20

REQUIREMENTS FOR THE ENACTMENT OF THIS LAW

1. In order to provide enactment of this law, the Ministry of Justice of Georgia shall ensure:
 - a) establishment and maintenance of the state license register;
 - b) quarterly publication of the license data in the "Sakartvelos Sakanonmdeblo Matsne" (Georgian Legislation News)

ARTICLE 21

ENTER INTO FORCE

1. This Law shall take effect on the 15-th day from its official publication.
2. Upon entering this Law into force, to consider cancelled:
 - a) Resolution #281 of March 7, 1992 of the Cabinet of Ministers on Temporary Provisions to Regulate and License Transport Facilities in the Republic of Georgia;
 - b) Resolution #465 of April 24, 1992 of the Government of Georgia on State Testing Supervision on the Territory of Georgia;
 - c) Resolution #180 of March 25, 1994 of the Cabinet of Ministers of the Republic of Georgia on Regulation and Licensing of Transport Services of the Republic of Georgia;
 - d) Resolution #812 of November 28, 1994 of the Cabinet of Ministers of the Republic of Georgia on Development and Organisation of Securities Market in the Republic of Georgia;
 - e) Resolution #54 of February 6, 1995 of the Cabinet of Ministers of the Republic of Georgia on the Rule Regarding Payment of A License Fee for Carrying Out International Tourist Activity in the Republic of Georgia, and its Amount;
 - f) Paragraphs 2.13 - 2.17, and 6.3 - 6.4 of the Resolution #211 of April 15, 1995 of the Cabinet of Ministers of the Republic of Georgia on Approval of the Temporary Provision on Issuance and Circulation of Securities and Stock Exchanges;
 - g) Resolution #264 of May 16, 1995 of the Cabinet of Ministers of the Republic of Georgia on Approval of the Provision on Licensing the Activity Related to Creating Temporary Working Conditions for Citizens of Georgia Abroad;

h) Decree #345 of July 6, 1996 of the President of Georgia on Introducing Changes Into Decree #568 of August 29, 1996 of the President of Georgia;

i) Decree #221 of March 16, 1996 of the President of Georgia on introducing licensing of construction activities in Georgia;

j) Decree #568 of August 29, 1996 of the President of Georgia on Some Emergency Measures Needed for Improving Licensing and Certification and Protecting Consumer Market From Counterfeited and Low Quality Products;

k) Decree #4 of January 4, 1997 of the President of Georgia on Licensing Medical Activities.

3. In relation to enforcement of this Law, to introduce amendments to the following legislative acts:

a) Law of Georgia on Protecting the Environment, of December 10, 1996;

b) Law of Georgia on Culture, of June 12, 1997;

c) Law of Georgia on Communication, of October 12, 1994;

d) Law of Georgia on Science, Technologies and their Development, of November 22, 1994;

e) Law of Georgia on Transport facilities, of April 4, 1995;

f) Law of Georgia on Firearms, of March 15, 1994;

g) Law of Georgia on Veterinary, of June 14, 1994;

h) Organic Law of Georgia on National Bank of Georgia, of June 23, 1995;

i) Law of Georgia on Fossil, of May 17, 1996;

k) Law of Georgia on Animal World, of December 26, 1996;

l) Law of Georgia on Certification of Goods and Services, of September 6, 1996;

m) Air Code of Georgia, of October 29, 1996;

n) Law of Georgia on Tourism and Resorts, of March 6, 1997;

o) Law of Georgia on Insurance, of May 2, 1997;

p) Law of Georgia on Education, of June 27, 1997;

q) Law of Georgia on Electric Power, of June 27, 1997;

r) Law of Georgia on Water, of October 10, 1997;

- s) Law of Georgia on Employment, of November 10, 1997;
- t) Law of Georgia on Registration of Land, of November 14, 1996;
- u) Law of Georgia on Security of Dangerous Industrial Entities, of December 10, 1997;
- v) The Customs Code of Georgia, of November 14, 1997;
- w) Law of Georgia on Fire Security, of May 12, 1998;
- x) The Maritime Code of Georgia, of 1997;
- y) Law of Georgia on Health Protection, of December 10, 1997;
- z) Law of Georgia on Geodesic and Cartographic Activities, of April 28, 1998.

ARTICLE 22

MEASURES RELATED TO THE ENFORCEMENT OF THIS LAW

1. The Finance and Budget Committee of the Parliament of Georgia shall draft and present for consideration a Law on Licensing Fee.
2. Within the period of 2 months from the date the Law is entered into force, charters (internal regulations) of executive agencies shall be changed to provide for compliance with the requirements of this Law.

Annex I		
N	BUSINESSES SUBJECT TO LICENSING	LICENSE-ISSUING AUTHORITIES
1	Insurance activities and mediatory activities in the field of Insurance	State Service of Insurance Inspection
2	Banking activities	National Bank
3	Production of armaments and military materials, repair and trade.	Ministry of Justice (within quotas, adopted by the National Security Council)
4	Road, sea and air transportation-shipment	Ministry of Transport
5	Regulation of market of securities	Ministry of Finance
	a) Activity of brokerage companies	□-----□
	b) Brokerage	□-----□
	c) Stock-Exchange	“-----“
	d) Depository activity of Securities	“-----“
	e) Registration activity of Securities	“-----“
6	Casinos and other gambling businesses	“-----“
7	Lotteries and other games	“-----“
8	Production and sale of medications, substances under special control, medications used in veterinary. Activities of medical organizations.	Ministry of Health Care
9	Activities of automobile diagnostic centers	Ministry of Interior
10	Designing-building activities	Ministry of Urbanization
11	Geological activities	Geological Department
12	Production of electricity, distribution, dispatcherization, transportation of the natural gas and its distribution	National Commission on Electroenergy
13	Production of Food, including Baby food and tobacco (the list shall be described by the Decree of the President of Georgia)	Ministry of Agriculture and Food

Annex II

Activities subject to mandatory notification	Relevant State Authorities
1. Activities connected with jewellery	Standard Inspection of the Ministry of Finance
2. Aerophotography of the state territory, creation of the geodesic network, activities aiming publication of the maps	State Geodesic Department
3. Activities of transport expeditors	Ministry of Transport
4. Manufacture and repair of measuring instruments	State Department of Standardisation
5. Aviation related works	Ministry of Transport (Aviation Dept)
6. Job-search related activities (out of the borders also) Labour	Ministry of Social Protection and Labour