

DECREE OF THE PRESIDENT OF GEORGIA

No. 322, of June 23, 1997. Tbilisi.

On the Regulation for Admission of Goods Received Through Grants at the Customs of Georgia,
Registration of Grants and Control over Their Application.

In accordance with the law No. 309-11 of 1996 of Georgia ~~On Taxation of Goods and Cash Resources Received Through Grants~~ and the Decree of the President of Georgia No. 577 of September 3, 1996 ~~On Approval of the Provision and Structure of the Ministry of Finance of Georgia~~:

1. The permission for customs registration of goods, to be imported to Georgia through grant, shall be issued by the Ministry of Finance of Georgia, in coordination with the Ministry of Foreign Affairs and the Ministry of Foreign Economic Relations of Georgia.
2. The basis for the issuance of permission for customs registration of the goods to be imported to Georgia through grants, shall be the agreement concluded between the grantor (donor) and the receiver of the grant, on the basis of which the particular program on use of the goods and cash resources, transferred through grants, is determined.
3. The Ministry of Finance of Georgia shall ensure the registration of grants, and take control over legal and efficient use of the goods and cash resources received through grants.

LAW OF GEORGIA ON GRANTS

CHAPTER I. GENERAL PROVISIONS.

ARTICLE 1. SPHERE OF APPLICATION.

This law determines the general principles for the issuance, receipt and application of grants in Georgia.

ARTICLE 2. GRANT.

1. Grant is targeted resources extended, free of charge, by a guarantor (donor) to a grantee in cash or in in-kind form, which is used for particular humane, educational, scientific-research, health-protection, cultural, sport, ecological and social projects, as well as for implementation of programs of the State or public importance.
2. Resources transferred for achievement of business and political purposes shall not be considered as grant.

ARTICLE 3. DONOR.

A donor may be:

1. A charitable, humanitarian and other public organizations (including International sport association, federation and committee), financial and credit institution, government of a foreign country or its representation, as well as a foreign non-business juridical person (fund).
2. The Georgian non-business juridical person (fund, program) the basic charter target of which is to accumulate property for the purposes of supporting charitable, social, cultural, educational, scientific-research or other activities that are useful for the public.

4. GRANTEE.

A grantee may be:

1. A State organ (organization) entitled by the President of Georgia.
2. State Government and local management bodies of Georgia.
3. Resident or non-resident non-business juridical person of Georgia, its representation, branch, department.

4. A citizen of Georgia.

CHAPTER II. GENERAL PRINCIPLES FOR THE ISSUANCE OF GRANT.

ARTICLE 5. LEGAL BASIS FOR THE ISSUANCE OF GRANT.

1. Legal basis for the issuance of grant is a written agreement concluded between a donor and a grantee, as well as an official written decision of International sport organization on allocation of targeted tangible and intangible valuables (including cash resources) for sports federation or club of Georgia. The agreement shall include the purpose for the issuance of grant, the amount and particular direction of use of the resources and the maturity of its disbursement, and those basic requirements which are applied by a donor to a grantee.
2. Grant shall be used only for the purposes indicated in the agreement. Use of the grant for other purposes than that is permitted only with the agreement of the donor.
3. Realization of the valuables received through grant shall be permitted only in the case, if such act has been considered under the grant agreement in advance.

ARTICLE 6. VIOLATION OF THE AGREEMENT CONDITIONS AND RESPONSIBILITIES FOR THAT.

1. For violation of the agreement conditions, the parties shall be responsible in accordance with the existing legislation.
2. Dispute arisen between resident juridical persons or citizens of different countries, in the case of non-settlement, shall be carried out according the court procedures of the country, which is chosen by the parties in advance. If such provision is not considered by the contract, the dispute shall be settled according to the legislation of Georgia.

CHAPTER III. TAXATION OF GRANT.

ARTICLE 7. GENERAL REGULATION FOR TAXATION OF GRANT.

Regulation for taxation of grant is determined according to the existing legislation of Georgia.

ARTICLE 8. LAW ENFORCEMENT.

This law shall become effective since its publication.