

Georgian Tax & Legal News

Refer to the Law



Possible changes to the Georgian Tax Code

The Parliament of Georgia is currently considering amendments to the Georgian Tax Code aimed at improving the economic conditions of people who have loans and face insolvency.

According to the draft law, any profit an individual receives from the waiver of a loan by a financial institution will be exempt from income tax. In addition, financial institutions will be able to deduct waivers of loans from their total income for tax purposes.

Possible changes to the Georgian Civil Procedure Code

The Parliament of Georgia is currently considering amendments to the Georgian Civil Procedure Code that will protect the rights of third parties in cases where the parties of a dispute settle proceedings amicably or a respondent acknowledges an action.

According to the draft law, before a respondent acknowledges an action or parties settle proceedings amicably, a certificate of encumbrance shall be presented to the court. The certificate should certify that the subject of the dispute (tangible or/and intangible property) is not being used to secure other rights (a mortgage, pledge etc.). The dates of the certificate will have to be valid upon the acknowledgement of an action by the respondent or the settling of the proceedings amicably.

New law on improving the systematic registration and cadaster of real estate

The Parliament of Georgia is currently discussing a draft law on improving the systematic registration and cadaster of real estate. The aim of the law is to create a comprehensive cadaster of immovable objects and thereby promote the development of the real estate market.

The new law will establish a basis for the systematic processing of cadastral data, simplify the registration of statutory rights to immovable property and remove financial and other barriers.

The following laws may be affected by the draft law and subsequently require respective amendments:

- Law on the Public Registry
- Law on State Property
- Law on Notaries
- Law on the Recognition of Property Rights to Parcels of Land Possessed (Used) by Natural Persons and Legal Entities under Private Law
- The Georgian Local Self-Government Code

Case law

On 1 December 2015, the Supreme Court of Georgia issued an important interpretation related to the exclusive rights of a proprietor and the burden of proof for a distributor of counterfeit¹ goods (case No. 36-1285-1223-2014).

The Supreme Court applied a decision of the European Court of Human Rights according to which trademarks are considered “protected” property as of the date of their registration, provided that the registration is carried out according to national law. The trademark becomes an object of ownership after its registration and is regulated under the laws related to ownership.

The court established the preconditions that must cumulatively be met in order to identify counterfeit goods:

- 1) The label is attached to goods that are similar to the products protected under the registered trademark;
- 2) The label is similar to the registered trademark;
- 3) The label is being used unlawfully.

In addition, the court determined that the rightful owner proves its exclusive rights by referring to the registration, while the burden of proof to the contrary lies with respondent.

¹ Counterfeit goods – any goods, including packaged goods, bearing an unauthorized trademark identical to a trademark that is legally registered in relation to these goods or that does not differ substantially from the mentioned trademark and therefore infringes upon the trademark holder’s rights as established by the legislation of Georgia.

Georgian Legislative Tracking is available [here](#).

Deloitte Legal

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