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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
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GEORGIA

DRAFT LAW

ON TRANSPARENCY OF FOREIGN INFLUENCE

provided by the Georgian Authorities on 25 April 2024

Draft Law of Georgia
On Transparency of Foreign Influence

Article 1 - Purpose and scope of the Law

1. In order to ensure the transparency of foreign influence, this Law regulates the registration of an entity as an organization pursuing the interest of a foreign power and other issues related to the transparency of the activities of an organization pursuing the interest of a foreign power.
2. This Law may not restrict the activities of an entity registered as an organization pursuing the interest of a foreign power on the basis of this Law.

Article 2 – organization pursuing the interest of a foreign influence

1. For the purposes of this Law, an organization pursuing the interest of a foreign power is:
 - a) a non-entrepreneurial (non-commercial) legal entity not established by an administrative body, that is not the National Sports Federation of Georgia as provided for by the Law of Georgia on Sports or a blood institution, as provided for by the Law of Georgia on the Quality and Safety of Human Blood and Blood Components; and whose source of more than 20% of the total income received during the calendar year is from a foreign power;
 - b) a broadcasting company provided for by the Law of Georgia on Broadcasting, whose source of more than 20% of the total income received during a calendar year is a foreign power, which does not include income received from sponsorship, teleshopping or commercial advertising placed by an entrepreneurial company or an individual entrepreneur in the specified broadcasting company, in accordance with the Law of Georgia on Broadcasting;
 - c) a legal entity that individually or jointly owns a print media outlet operating in Georgia and whose source of more than 20% of the total income received during a calendar year is a foreign power, which does not include income received from the placement of commercial advertising by an entrepreneurial company or an individual entrepreneur in the specified media outlet;
 - d) a legal entity that individually or jointly owns and/or uses an Internet domain and/or Internet hosting for Internet media disseminating in the state language of Georgia, whose source of more than 20% of the total income received during the calendar year is a foreign power, which does not include income received from commercial advertising placed by an entrepreneurial company or an individual entrepreneur in the specified media.
2. For the purposes of this article, “income” means money and other tangible good having a property value (any movable or immovable item). The value of income that is not a monetary amount, for the purposes of this article, shall be calculated at its market price.
3. For the purposes of the first paragraph of this article, it is considered that the respective entity provided for by the same paragraph has received income if the specified entity has received a sum of money or has become the owner or beneficiary of another type of tangible good having a property value (any movable or immovable item).
4. For the purposes of the first paragraph of this article, it is considered that the source of income received by the respective entity, provided for by the same paragraph, is a foreign power, if:
 - a) the specified entity has received income directly or indirectly from the foreign power;
 - b) the specified entity received income directly or indirectly from a legal entity that directly or indirectly received income from a foreign power;

c) the source of the specified income is not identified.

Article 3 – Foreign power

For the purposes of this Law, a foreign power is:

a) a constituent entity of foreign country's state system;

b) an individual who is not a citizen of Georgia;

c) a legal entity not established under the legislation of Georgia;

d) such an 3rganization3l formation (including a foundation, association, corporation, union, other type of 3rganization) or other type of association of persons, which is created on the basis of the law of a foreign country and/or international law.

Article 4 – Registration of an entity as an organization pursuing the interest of a foreign power

1. An entity who meets the criteria of an organization pursuing the interest of a foreign power established by Article 2 of this Law must apply in writing (in tangible form) for registration as an organization pursuing the interest of a foreign power to a Legal Entity of Public Law - National Agency of the Public Registry (hereinafter - the Agency) within the Ministry of Justice of Georgia through a Legal Entity of Public Law - House of Justice, in January of the calendar year after the year of the entity meeting these criteria. In this case, the Agency shall be obliged to provide the specified entity with access to the relevant website within two working days so that this entity can fill out an application for registration as an organization pursuing the interest of a foreign power (hereinafter - the application) in electronic form observing the form established by the Minister of Justice Georgia, and submit it to the Agency.

2. Within 10 working days after the access to the relevant webpage provided for in the first paragraph of this article, an entity must fill out an electronic application in the form established by the Minister of Justice of Georgia and submit it to the Agency.

3. An author of the application shall be obliged to reflect in the application, which is also the financial declaration of the author of the application, the following information (if such information is available):

a) identification data of the author of application;

b) the address of residence of the author of application;

c) the address of the webpage of the author of application;

d) information about the source, amount and purpose of any monetary and other tangible benefits received by the author of application during previous calendar year;

e) information on the amount and purpose of funds spent by the author of application during previous calendar year;

f) date of completion of the application.

4. The Agency shall be obliged to consider and study an application within 30 working days after the submission of the application, for which the relevant authorized person of the Ministry of Justice of Georgia shall have the right to request the necessary information, including personal data, in accordance with the Law. If the author of the application meets the criteria of an

organization pursuing the interest of a foreign power established by Article 2 of this Law, and the application is filled out correctly and completely, the Agency shall be obliged to register the author of application as an organization pursuing the interest of a foreign power within 30 working days after the submission of the application to the Agency and enter it into the register of organization pursuing the interest of a foreign power. If the application is filled out incorrectly and/or incompletely, the Agency shall set a period of 10 working days for the author of application to correct the error. The author of application shall be obliged to eliminate the defect within this period. The Agency shall be obliged to register the author of application as an organization pursuing the interest of a foreign power within 5 working days after the expiration of this period and enter it into the register of organizations pursuing the interest of a foreign power, if the author of the application meets the criteria of an organization pursuing the interest of a foreign power established by Article 2 of this Law.

5. No fee shall be charged for registration of an entity as an organization pursuing the interest of a foreign power and entering it into the register of organization pursuing the interest of a foreign power.

6. The rules for registration of an entity as an organization pursuing the interest of a foreign influence and entering it into the register of organization pursuing the interest of a foreign power, as well as the application form, shall be established by the Minister of Justice of Georgia.

Article 5 – Ensuring the publicity of requests, other relevant documents and the register of organisations carrying the interests of foreign power influence

1. A request and application provided for by Article 4(1) of this Law shall be public. The Agency shall be obliged immediately after the registration of an entity as an organization pursuing the interest of a foreign power to ensure the placement on the respective webpage and public accessibility of a request submitted by this entity to the Agency, an application provided for by Article 4(1) of this Law, and if any, an applicable charter and other constituent documents of the specified entity, and the latest extract from the public register about this entity.

2. Information entered in the register of organization pursuing the interest of a foreign power is publicly available. The Agency shall be obliged to ensure its placement on the respective webpage and public accessibility.

Article 6 - Annual financial declaration

1. An entity registered as an organization pursuing the interest of a foreign power shall, in January of each year following the year of registration as an organization pursuing the interest of a foreign power, electronically fill out financial statements in the manner prescribed by the Minister of Justice of Georgia and submit them to the Agency. The declarations must correctly and fully reflect the information as of the year preceding the year of its submission to the Agency, pursuant Article 4(3) of this Law (if such information is available). The Agency shall be obliged to review and study this financial declaration within 30 working days after the submission of the specified financial declaration, for which the relevant authorized person of the Ministry of Justice of Georgia shall have the right to request the necessary information, including personal data, in accordance with this Law. In case of incorrect and/or incomplete completion of the specified financial declaration, the Agency shall set a period of 10 working days for the entity registered as an organization pursuing the interest of a foreign power, who filed it in order to eliminate the shortcomings. The specified entity shall be obliged to eliminate the shortcomings within this period.

2. The financial declaration provided for by the first paragraph of this article and the information reflected in it shall be publicly available. The Agency shall be obliged to immediately ensure that the specified financial declaration is posted on the relevant website and made publicly available.

3. The procedure for submitting a financial declaration provided for by this article, as well as the form of the specified financial declaration, shall be determined by the Minister of Justice of Georgia.

Article 7 - Cancellation of the registration of an entity registered as an organization pursuing the interest of a foreign influence

1. An entity registered as an organization pursuing the interest of a foreign power, which, according to the data (circumstances) of the previous calendar year, no longer meets the criteria of an organization pursuing the interest of a foreign power established by Article 2 of this Law, may, upon submission to the Agency of a financial declaration provided for in Article 6 of this Law, apply to the Ministry of Justice of Georgia with a motivated written application (in the tangible form) to cancel its registration as an organization pursuing the interest of a foreign power. In this case, within 30 working days, the relevant authorized person of the Ministry of Justice of Georgia shall make an appropriate decision on the basis of a proper enquiry and study of the issue. For this purpose, the relevant authorized person of the Ministry of Justice of Georgia shall have the right to request the necessary information, including personal data, in accordance with the Law.

2. If a decision is made to cancel the registration of a person as an organization pursuing the interest of a foreign power, the Agency shall be obliged to immediately exclude this entity from the register of organization pursuing the interest of a foreign power and remove information and documents related to this specified entity and previously disclosed in accordance with this Law from the relevant website.

3. The decision provided for in the second paragraph of this article shall be publicly available and published on the relevant website.

4. The procedure for cancelling the registration of an entity registered as an organization pursuing the interest of a foreign power shall be established by the Minister of Justice of Georgia.

Article 8 – Monitoring

1. In order to identify an organization pursuing the interest of a foreign power or verify compliance with any of the requirements of this Law, the Ministry of Justice of Georgia shall be authorized to conduct an appropriate examination and study - monitoring (hereinafter - monitoring) of the issue at any time.

2. The basis for starting monitoring shall be:

a) the decision of the relevant authorized person of the Ministry of Justice of Georgia;

b) a written application submitted to the Ministry of Justice of Georgia containing a relevant reference relating to a specific organization pursuing the interest of a foreign power.

3. In order to carry out monitoring, the relevant authorized person of the Ministry of Justice of Georgia shall have the right to request the necessary information, including personal data, in accordance with the Law.

4. Monitoring of the same entity shall be allowed only once every 6 months.

5. If, as a result of monitoring, it is revealed that an entity meets the criteria of an organization pursuing the interest of a foreign power established by Article 3 of this Law, but has evaded registration as an organization pursuing the interest of a foreign power, the Agency shall register the specified entity as an organization pursuing the interest of a foreign power based on the application of the relevant authorized person of the Ministry of Justice of Georgia, which does not release this entity from liability, provided for by Article 9 (1) of this Law. In this case, the specified

entity shall be obliged to submit a request to the Agency within 10 working days in compliance with the requirements of this Law.

6. The procedure for monitoring shall be established by the Minister of Justice of Georgia.

Article 9 - Liability

1. Evasion of registration as an organization pursuing the interest of a foreign power, or failure to submit a financial declaration provided for by Article 6 of this Law within the period established by the same article shall entail a fine of 25,000 GEL.

2. Failure to comply with the requirements of Article 4(2) of this Law, failure to fulfil the obligation to eliminate the defect provided for in Article 4(4) or Article 6(1) of the same Law, or failure to fulfil the obligation to submit a request specified in Article 8(5) of this Law shall entail a fine of 10,000 GEL.

3. Commission of an administrative offence provided for by the second paragraph of this article or by this paragraph by a person/entity subject to the administrative fine upon the expiration of 1 month after the imposition of the appropriate administrative fine shall entail a fine of 20,000 GEL.

6. An appropriate authorized person of the Ministry of Justice of Georgia shall draw up a protocol on an administrative offence provided for by this article. If the specified administrative offence is committed, the proceedings on the case shall be carried out in accordance with the Code of Georgia on Administrative Offences and other relevant legislative acts.

9. The imposition of liability under this article may not relieve the relevant entity from fulfilling the requirements of this Law.

10. Responsibility provided for by this article may be assigned to a person who has committed a relevant administrative offence only within 6 years after the administrative offence.

Article 10 – Transitional provisions

1. Within 60 days from the date of entry into force of this article:

a) the relevant authorities/officials shall adopt/issue by-laws necessary for the implementation of this Law and ensure that the relevant by-laws comply with the same Law;

b) The Ministry of Justice of Georgia and the Agency shall take preliminary logistical and other measures necessary for the implementation of this Law.

2. The entity provided for in Article 2(1) of this Law, who, according to the data (circumstances) of 2023, meets the criteria of an organization pursuing the interest of a foreign power established by the same article, shall be obliged to submit an application for registration as an organization pursuing the interest of a foreign power in writing (in the tangible form) to the Agency within 1 month from the date of entry into force of this paragraph through the LEPL - House of Justice with an application, after which, the procedures prescribed by Article 4 of this Law shall be implemented.

Article 11 - Enactment of the Law

1. This Law, with the exception of Articles 1-9 and the second paragraph of Article 10 of this Law, shall enter into force upon publication.

2. Articles 1-9 and the second paragraph of Article 10 of this Law shall enter into force on the 60th day after publication.

President of Georgia

Salome Zourabichvili