

LAW OF THE REPUBLIC OF GEORGIA ON OWNERSHIP

I. General provisions

In the Republic of Georgia ownership is regulated by the Constitution (Main Law), Civil Code, this Law and other legislative acts.

The Law of ownership of the Republic of Georgia establishes legal foundations for beginning, realization, protection and termination of ownership relations.

Article 1. The Foundations of Ownership

In the Republic of Georgia ownership is recognized and protected by the Law.

An owner has the right to possess, use and dispose of his or her property.

An owner can transfer his or her rights to possess, use and dispose of the property to other person; to commit any action as regards to his or her property, in accordance with the law; to transfer his or her property to the possession of other person; to use his or her property for carrying out economic or any other activity not forbidden by the law.

In the Republic of Georgia ownership is protected by the law irrespective of the whereabouts of the owner. The Law protects the right of citizens of Georgia, legal entities and the state to own property outside the borders of the Republic of Georgia.

In cases, on terms and within the limits stipulated by the law an owner may be obliged to allow restricted use of his or her property by other persons.

An owner runs the risk of accidental loss of or accidental damage to the property belonging to him or her.

The realization of the ownership by an owner shall not do damage to the environment, infringe on the rights and interests of citizens, legal entities and the state protected by the law.

An infringement of law-protected interests of other persons due to the realization of ownership by an owner the damage entailed shall be reimbursed by the owner in full part.

Article 2. Objects of Ownership

In the Republic of Georgia the objects of ownership are: land and entrails of the earth, waters continental shelf resources, flora and fauna, enterprises, means of production, transport and information, dwelling-houses, dachas (country houses), objects of material and spiritual culture, money, securities, precious materials and stones, as well as other movable and immovable property.

The result of economic or any other use of the property of an owner, industrial products, fruits and other earnings belong to the owner unless different is envisaged by the relevant law or treaty.

Article 3. Objects of Ownership

In the Republic of Georgia subjects of ownership (owners) are citizens of Georgia, apatrides, legal entities and the state.

In the Republic of Georgia there may be property of foreign states, international organizations, foreigners and foreign entities which are affected by the legislation of the Republic of Georgia unless an international treaty signed by the Republic of Georgia does not stipulate otherwise.

In the Republic of Georgia property may be in private, state and social associations (organizations) ownership.

It is admissible to unite property being in private, state ownership and in the ownership of social associations (organizations) forming mixed ownership on this basis.

In the Republic of Georgia all forms of ownership are equal, inviolable and protected by the law.

Article 4. Joint Ownership.

In the Republic of Georgia property may be in joint ownership of two or several persons with the determination of a share (shared ownership) and without the determination of a share (joint ownership)

Possession, use and disposal of property being in joint ownership are realized through an agreement of all owners and in case of the lack of it - by a decision of the Court.

A participant in common shared ownership have the right to the allotment of her or his share, and a participant in joint ownership - to determining and allotting his or her share. The rule of determining and allotting a share is established by the relevant legislation.

In case of selling a share of joint ownership to an outside person, the rest of the participants in joint ownership have a priority right to purchase the share being sold in accordance with rule and on terms established by the law.

Article 5 Ownership of Land.

The rights of individual owners to possess, use and dispose of land are regulated by the land legislation.

Article 6 Beginning and Termination of Ownership.

In accordance with the existing legislation, there begins an owner's ownership of property acquired in any form, of a thing, of products made or essentially remade by an owner, fruits and other earnings obtained from the use of the property belonging to him or her, natural resources or other property being in his or her use or possession for his purpose according to the law or an agreement.

The ownership of a buyer begins at the moment of passing a thing into possession of a buyer unless different is established by the law or a treaty.

A physical or juridical person who, not being an owner of property, openly and honestly owns immovable property for at least fifteen any other property for not less than five years following the required registration, acquires the ownership of this property.

Ownership terminates due to the alienation of an object of ownership by the owner, as well as the loss of an object of ownership.

The legally acquired private property, property of the state or social association (organization) which, in accordance with the law, cannot belong to an owner, is to be alienated within a year unless a different term is established by the existing legislation. If this property is not alienated by an owner within the given period, it shall be forcefully alienated with paying the cost of the property to the owner less the alienation expenses.

In cases of natural calamities, accidents, epidemics, epizootics and other emergency circumstances property may be taken from the owner by a decision of state power bodies in the interest of the state or society, in accordance with the rule or on terms established by legislative acts, with paying him or her the cost of the property (requisition)

In cases envisaged by the existing legislation property may be taken from the owner by a decision of the Court or other duly authorized state body (an official) as a sanction for a committed crime or other infringement of the law (confiscation).

In cases stipulated by the existing legislation, by a decision of state power bodies, an owner may be deprived of and restricted in his right to use disputable property (sequester)

The rule of applying to owner's property some concrete conditions of forced alienation, requisition, confiscation and sequester is defined by the relevant legislation.

Article 7. Claims to an Owner's Property.

A citizen is liable for his debts with the property belonging to him or her by right of possessing. The list of owner's property which may not be liable to claims of creditors is defined by the existing legislation.

A legal entity is liable for its debts with all the property at its disposal.

An owner or a founder of a legal entity not liable for debts of legal entities set up by him, and a legal entity is not liable for debts of an owner or a founder unless the existing legislation stipulates otherwise.

II. Private Ownership

a) A Citizen's ownership

Article 8. Acquisition of a Citizen's Ownership.

A citizen's ownership comes into being through all kinds of activities allowed by the law and revenues produced by them, inheritance and other ways allowed by the law.

Article 9. Objects of a Citizen's Ownership.

Objects of a citizen's ownership may be all the objects defined by Article 2 of the present Law, except those which, according to the existing legislation, belong to the objects of the exclusive state ownership.

Quantitative and type limitations of objects of a citizen's ownership is only allowed in cases specifically envisaged by the law.

b) A Legal Entity's ownership

Article 10. Acquisition of a Legal Entity's Ownership.

A legal entity's ownership comes into being due to shares of participants, property received or purchased owing to economic or any other activity of a legal entity allowed by the law.

Article 11. Objects of a Legal Entity's Ownership.

In the Republic of Georgia objects of a legal entity's ownership may be all the objects stipulated by Article 2 of the present Law, except those which belong to the objects of the exclusive state ownership in accordance with the existing legislation.

III. State Ownership

Article 12. General Provisions on State Ownership.

State ownership comprises the ownership of the Republic of Georgia and its autonomous republics and local administrative-territorial units (municipal ownership), which is possessed, used and disposed of by bodies authorized by an owner in accordance with the existing legislation.

Article 13. Objects of State Ownership.

Objects of state ownership may be all the objects stipulated by Article 2 of this Law.

In accordance with the rules of International Law, a state possesses single unalienable sovereignty for natural resources within the limits of the territory of Georgia - the right to use its own resources in accordance with its policy and to demand to respect this right by other states.

The order of the use and protection of natural resources is defined by a special legislation.

The objects of the exclusive state ownership are lands of special importance and their entrails, the resources of inland and territorial waters, as well as the continental shelf and coastal economic zone, cultural and historical monuments of state importance, valuables of the state treasury, state banks, state pension, insurance and other funds, the property of the armed forces, frontier and interior troops law-enforcement bodies and other property the list of which is defined by relevant legislative acts.

Article 14. Types of State Ownership.

The types of state ownership are as follows:

the republican ownership;

the ownership of autonomous republics;

the ownership of local administrative-territorial units (municipal ownership).

The list of the objects of ownership according to different types of ownership is defined by relevant legislative acts.

IV. The Ownership of Social Associations (Organizations)

Article 15. General Provisions on the Ownership of Social Associations (organizations).

The ownership of social associations (organizations) in the Republic of Georgia is the property of political and religious organizations with the right to possess, use and dispose of the property operating on the basis of the legislation.

Article 16. The Ownership of Social and Political Organizations.

Social and political organizations, including movements, charity and other public foundations may have as ownership all the objects, stipulated by Article 2 of this Law, required for realizing the objectives of their statutes and obtained owing to the means of physical and juridical persons, social, political associations and foundations except those which belong to the objects of the exclusive state ownership according to the existing legislation. The ownership of political associations may only include objects not forbidden by the existing legislation on political associations.

The property left after liquidation of social and political organizations is distributed according to the rule envisaged by the statutes of these organizations.

Article 17. The Ownership of Religious Organizations.

Religious organizations may have as their ownership all the objects stipulated by Article 2 of this Law, required for church, monastery and religious activities, including buildings, objects of worship, enterprises purchased by them and created using their own resources or transferred as donations by legal entities or the state, or obtained in some other way provided by the law, except the objects belonging to those of the exclusive state ownership according to the existing legislation.

V. The Ownership of Foreign States, Foreigners, Foreign Legal Entities and International Organizations

Article 18.

The Ownership of Foreign States and International Organizations.

On the territory of the Republic of Georgia foreign states and international organizations may have ownership, the rights to possess, use and dispose of which are defined by the legislation of the Republic of Georgia and the relevant agreements.

Article 19. The Ownership of Foreigners and Foreign Legal Entities.

In accordance with the legislation existing on the territory of Georgia, foreigners and foreign legal entities may have as their ownership all the objects stipulated by Article 2 of this law, except those belonging to the objects of the exclusive state ownership.

Article 20.

The Ownership of State, Legal Entities and Citizens of Georgia Abroad.

The state, legal entities and citizens of Georgia are entitled to have ownership abroad, and the rights of its possession, use and disposal of are defined by the legislation and agreements of the states concerned.

VI Protection of Ownership

Article 21.

The Main Provisions on Ownership Protection.

In the Republic of Georgia the guarantor of ownership protection is the state.

A proprietor has the right to demand his or her property from somebody's illegal ownership in accordance with the legislation of the Republic of Georgia. A proprietor may also demand to eliminate all violations of his or her rights in cases when this violations are not connected with the deprivation of the ownership.

Article 22.

The Protection of proprietor's interests in case of termination of his or her rights on the basis stipulated by the law.

If a proprietor does not agree to a decision of state bodies concerning termination of ownership, this decision may not be carried out prior to the settlement of the dispute by the Court. When disposing of the dispute, the issues of the reimbursement of damages inflicted on the proprietor are also solved.

Article 23.

Invalidity of the Acts Violating the Rights of a Proprietor.

The acts of state administration bodies violating the rights of a proprietor or persons being equal to him in the spheres of possession, use or disposing of property are recognized as invalid on the basis of an action brought about by a proprietor or a person equal to him in accordance with a decision of the Court.

In this case the damage inflicted on a proprietor or a person equal to him is reimbursed in full part by the body passed this act.

Article 24.

Other rights of estate.

At the discretion of a proprietor, in cases envisaged by the law, her or his rights to possess; use and dispose of the property belonging to him or her may be transferred to other person realizing these rights in compliance with the law or within the confines defined by a proprietor.

The rights and interests of persons realizing the rights to possess, use and dispose of owner's property within certain limits are provided with the same guarantees as the rights and interests of an owner unless different is established by the existing legislation.