

LAW OF GEORGIA

ON LEGALISING PROPERTY

Article 1 - Purpose of the Law

This Law aims to provide additional guarantees for ensuring protection of the private property rights recognised by Article 21 of the Constitution of Georgia, the international agreements of Georgia and other Legislations.

Article 2 - State as a guarantor for the protection of the private property rights

All government bodies and officials shall be obliged to ensure guaranteed protection and inviolability of the private property rights.

Article 3 - Definition of terms

The terms used in this Law have the following meanings:

- a) person - a natural person or a legal person under private law, or the combination thereof;
- b) object thing - a movable or immovable object defined by the Civil Code of Georgia;
- c) property - a thing, a security and/or a right to claim, that was transferred, in its initial or modified form, into ownership of a person by the State or a self-government unit;
- d) grounds for acquiring ownership - transferring property to a person by a legal act and/or a transaction on condition of transferring the property into ownership of the person;
- e) legalisation of property - affirmation of the right of legal ownership of the property provided for by Article 4(1) of this Law, that may be limited or deprived of only in the cases defined by Article 21 of the Constitution of Georgia.

Article 4 - Scope of the Law

1. This Law shall apply to any property of the State or a self-government unit, the right of ownership of which was acquired or the grounds for acquiring the right of ownership was originated from a legal act or a transaction occurring before entry into force of this Law, except for property defined under paragraph 2 of this article.

2. This Law shall not apply to:

- a) property that is prohibited to be privatised under Article 4 of the Law of Georgia on State Property;
- b) property, that by the time of entry into force of this Law, is subject of a court dispute (one of the parties to which is the State or a self-government unit) or administrative proceeding on the right of ownership or annulment of the grounds for acquiring the right of ownership;
- c) property, that by the time of entry into force of this Law is under investigation in order to establish the legality of the ownership of the property (the grounds for acquiring the right of ownership);
- d) property defined under Chapter XLIV of the Civil Procedure Code and Chapter VII of the Administrative Procedure Code of Georgia;
- e) property acquired by submitting a fraudulent document;
- f) a parcel of land designated for the construction and operation of oil and gas pipelines and related facilities under- and aboveground.

3. This Law shall apply to property, defined by paragraph 2(b,c) of this article, in the case of termination of the court dispute, administrative proceedings or investigation. In this case the property shall be considered legalised and shall be subject to Articles 5 and 6 of this Law.

Law of Georgia No 3518 of 21 July 2010 - LHG I, No 48, 9.8.2010, Art. 319

Article 5 - Procedure for legalising property

1. The acquisition and/or the grounds for acquisition of the right of ownership of property as determined by Article 4(1) of this Law, before the entry into force of this Law shall be considered legalised after the entry into force of this Law.

2. All administrative acts that contradict this Law shall be invalidated.

3. If the acquisition and the grounds for acquisition of the right of ownership of the same property are subject to legalisation under this Law, the acquisition of the right to the ownership shall be considered legalised.



4. Legalisation of the acquisition and/or the grounds for acquisition of the right of ownership of property under this Law shall not exempt a person from his/her obligations if the State or a self-government unit has transferred the property to him/her under a condition certain.

5. If after the privatisation of land that is the property of the State or a self-government unit, the State or the self-government unit makes any change (except for involuntary servitude) that was not established at the time of privatisation, the owner is entitled to request compensation in exchange of the changes made to the property (if the owner is opposed to such change). The State or an appropriate self-government unit must satisfy the owner's request.

Article 6 - Limitation of investigation or any other form of control, research and examination in order to determine the legality of acquisition and/or grounds for acquisition of the right of ownership of the property

1. State authorities and officials are prohibited from proceeding with any investigation or other form of control, research or examination to identify the legality of acquisition and/or the grounds for acquisition of the right of ownership of the property defined in Article 4(1) of this Law.

2. The prohibition stated in paragraph 1 of this article shall not apply to an investigation conducted to identify the legality of disposal of the property defined in Article 4(1) of this Law, on the condition that Article 5(1) of this Law shall not be violated.

Article 6¹ - Other grounds for legalising agricultural parcels of land within the administrative borders of Tbilisi

1. Unlike the rules established by this Law, if applications for registration for legalisation of parcels of land within the administrative borders of Tbilisi are filed before 1 April 2012 with the property legalisation agency, the following documents prepared in violation of the law before 1 January 2007 shall be the basis for legalising agricultural parcels of land (also former agricultural parcels of land, the designation of which is changed and which are moved to the category of non-agricultural lands on the entry into force of this Law):

a) an act of acceptance issued by the Land Reform Commission;

b) a land (immovable property) registration certificate;

c) a document issued by a Garden Partnership;

d) an extract from the Public registry which is issued on the basis of the documents specified by sub-paragraphs (a) and (c) of this paragraph.

2. The legalisation fee is GEL 15 per square metre of a parcel of land within the administrative borders of Tbilisi.

3. The legalisation fee shall be paid to the budget of an appropriate self-government unit.

4. A person, whose judgement of conviction has entered into legal force and who has paid compensation for the damage incurred, shall be exempt from the payment of a legalisation fee.

5. If the property is legalised according to the procedures determined by this article, criminal prosecution shall not be initiated (an ongoing criminal prosecution shall be terminated) against the owner of real property and the person, who carried out the legalisation. Persons, who are subject to a judgement of conviction in a form of imprisonment for drawing up and using the documents or for other actions determined by this article, shall not be exempted from criminal liability under this article.

6. If an application for registration of legalisation of a parcel of land is filed, the registration agency shall make a decision without forwarding appropriate documentation to law enforcement agencies, except if registration documents are prepared before 1 January 2007.

7. Property may also be legalised if the right of ownership of a parcel of land is transferred to a new owner on the basis of a transaction.

8. If an interested party requires legalisation of a parcel of land to which the right of ownership by the State/self-government unit is registered as provided for by the legislation of Georgia, a registration agency is obliged to apply to the State/appropriate self-government unit to obtain consent to legalise the parcel of land. In this case the registration procedure shall be suspended. The registration procedure shall be resumed and a final decision shall be made only after receipt of the response from an appropriate body as provided for by the legislation of Georgia.

9. Under this Law, property is legalised by a Legal Entity under Public Law (LEPL) National Agency for Public Registry within the Ministry of Justice of Georgia that carries out other activities related to legalisation under the Law of Georgia on Public Registry.

10. The information on legalisation of a parcel of land shall be included in an extract from the Public Registry.

11. This article shall not apply to cases defined in Article 3(2) of the Law of Georgia on Recognition of Property Rights of the Parcels of Land Possessed (used) by Natural persons and Legal Entities under Private Law, and also if an ownership certificate is prepared/issued for immovable property as provided for by the legislation of Georgia.

Law of Georgia No 4467 of 22 March 2011 - website, 29.3.2011

Article 7 - Transitional Provisions

1. The following documents shall be submitted to the Parliament of Georgia before 1 August 2007:

a) the list of the property, that by the time of entry into force of this Law is the subject of a court dispute (one of the parties to which is the State or a



self-government unit) or administrative proceeding by the administrative bodies that carry out administrative proceedings or represent a party to the court dispute, on the revocation of acquisition or of the grounds for acquisition of the right of ownership;

b) the list of property, that by the time of entry into force of this Law is under investigation in order to establish the legality of the ownership of the property (the grounds for acquiring the rights to ownership).

2. The Parliament of Georgia shall publish the list, provided for by paragraph 1 of this article, on the official website of the Parliament of Georgia.

3. In order to regulate the process of legalisation of agricultural parcels of land in the territory of Georgia, except for parcels of land within the administrative borders of Tbilisi, the Ministry of Justice of Georgia shall, in coordination with the LEPL National Agency for Public Registry, submit a draft law on appropriate amendments to this Law to the Parliament of Georgia before 1 January 2013 as provided for by the legislation of Georgia.

Law of Georgia No 4467 of 22 March 2011 - website, 29.3.2011

Article 8 - Final Provision

This Law shall enter into force on the 15th day after its promulgation.

The President of Georgia

M. Saakashvili

Tbilisi,

22 June 2007

№5014-IS

