

Milestones of Investors Council January 2021 – March 2021

Investors Council Meeting:

29 January 2021, Investors Council held a meeting that was chaired by the former Prime Minister of Georgia Giorgi Gakharia.

During the meeting, the members summarised the progress that was achieved in 2020 and briefly discussed the Work Plan for 2021-2022.

The main topic of the discussion was the impact of the Covid-19 pandemic and the response of the Government to address the challenges the private sector faces and the readiness of the ICS member to work with the Government to support the businesses to move forward.

Company Law Reform:

ICS has been actively involved in the company law reform since 2016. The secretariat created a special working group on company law reform where the leading Georgian commercial lawyers and business representatives were invited to take part. The group spent several months updating the draft to provide the Ministry of Justice (MoJ) and other stakeholders with detailed comments on the draft. The MoJ accepted the comments and the draft had been respectively modified.

ICS legal expert also participated in drafting legislative guide (detailed explanations) to the provisions of the draft. The guide, the creation of which was supported by the GIZ, has been published. An [electronic copy](#) of the guide is freely accessible.

Objectives of the Reform and benefits to the private sector:

From a legislative standpoint, it is not always efficient to rely on privately negotiated contracts, as does the current Law on Entrepreneurs, particularly given the possible disparity in the bargaining power and astuteness of parties.

For more fairness and predictability substantive commercial law should predominantly rely on default provisions that might be modified to specific needs of stakeholders, at the same time, informing and educating parties (particularly less powerful groups) on the legislative design on the subject matter.

This was one of the main objectives of the efforts led by MoJ regarding drafting a new Law on Entrepreneurs.

Another important objective of the company law reform is the harmonization of the Georgian company law with the company law directives of the European Union, most importantly with the Directive (EU) 2017/1132 of 14 June 2017 relating to certain aspects of Company Law.

Next steps:

The government of Georgia approved the new Draft Law on Entrepreneurs in August 2020 and using its legislative, initiative initiated the draft in the Parliament of Georgia.

ICS closely cooperates with the relevant parliamentary committees (most importantly the legal committee) to speed up the legislative process.

Discussions in different parliamentary committees (the legal committee, the committee for economic policy, etc.) are going to start in early spring 2021. Before the draft goes for the first plenary hearing PPD working meetings are being planned to reflect all remaining comments from many stakeholders in the draft.”