

LOGISTICS OF EXPORTING TO EURASIA SERIES

Product Certification Process in Georgia

By Kartlos Gviniashvili, BISNIS Georgia

October 2006

*INTERNATIONAL COPYRIGHT U.S. DEPARTMENT OF COMMERCE, 2006. ALL RIGHTS
RESERVED OUTSIDE OF THE UNITED STATES*

NOTE: This report should be used for general reference purpose only. As certification-related legislation and regulations are constantly changing, it is advised that exporters consult with certification agencies from the country of importation to obtain accurate and current information that would pertain to their specific transaction

I. OVERVIEW OF CERTIFICATION AND CONFORMITY ASSESSMENT SYSTEM

1. Regulatory Agencies and their functions

Several agencies/organizations are in charge of goods and services certification and standardization in Georgia. Below is the list of such organizations followed by a brief description of their activities related to product certification and conformity assessment:

- a) National Agency for Standards, Technical Regulation and Metrology is in charge of creation of database for product and service safety requirements.
- b) National Agency for Accreditation – The Accreditation Center is responsible for accreditation of conformity assessment laboratories, calibration laboratories and other conformity assessment organizations.
- c) State Inspection for Technical Supervision, is responsible for development and maintenance of a list of equipment subject to mandatory certification.
- d) Vine and Wine Department (Samtresti) is responsible for issuance of conformity certificates for products made of grapes; participation in establishment of certification system for vine seedlings and planting materials, as well as products made of grapes. This agency performs chemical, micro-biological and other testing and analysis of alcoholic beverages and ethylene spirits and assesses their conformity to the existing normative documents. It also issues

certificates of origin for exported grape products, and collects and maintains export data for this commodity category.

e) Food Safety, Veterinary and Plant Protection National Service under the Ministry of Agriculture is responsible for:

- ensuring conformity of drinking water safety parameters with quality indicators established by law;
- issuance of permits and certificates in accordance with regulations set by law;
- safety and quality assurance for food products and animal feed;
- manages conformity of food and feed quality with the requirements set by law.

2. *Current Legislation*

Product and service certification regulation legislation consists of the following laws:

- Law of Georgia on Product and Service Certification
- Law of Georgia on Standardization
- Law of Georgia on Unification of Measurements
- Law of Georgia on Food Safety and Quality
- Decree of the Government of Georgia (GOG) on Definition of Supervision, Monitoring and Control Functions of Food Safety, Veterinary and Plant Protection National Service of the Ministry of Agriculture
- Decree #45 of the GOG on Recognition of Technical Regulations of Other Countries and on Guidelines
- Decree #2-221 of the Minister of Agriculture and Food Industry on Certification Systems for Alcoholic Beverages and Guidelines for Certification of Alcoholic Beverages as well as decrees on Accreditation of Testing Laboratories, Guidelines for Issuance of Certificates, and Guidelines for Wine Quality Downgrade.

3. *Mandatory Certification vs. Voluntary Declaration of Conformity*

Product and service certification rules and procedures in Georgia are regulated by the law on Product and Service Certification (adopted September 6, 1996; amended July 24, 2005 and June 25, 2006). After the amendments to the law made in the framework of technical regulation reform, the law is in compliance with the World Trade Organization (WTO) and European Union principals in the fields of assessment and certification. One of the focus areas of this reform was the regulatory role of state in the certification/conformity assessment process. It is currently viewed as setting essential technical requirements that ensure maintenance of safe environment for human life and health. According to the above-mentioned law, certification is voluntary, except in the specific cases prescribed by legislation. However, in lieu of the Certificate of Conformity, a supplier needs to provide a Declaration of Conformity that declares compliance with technical regulations. Conformity Declaration related issues are regulated by Georgian national standards GSS ISO 17050.1: 2006 and GSS ISO 17050.2: 2006.

4. *Voluntary assessment*

Certificate of Conformity is mandatory only for wine. Any entity that is not required to acquire certification can still apply and receive conformity certificate after carrying out due procedures.

They can opt for a kind of self-certification, meaning that they can make a statement that their product/service meets requirements of a certain international standard. This makes them liable for maintaining conformity with the standard for five years.

5. *Effect of international certification/standardization laws and regulations on certification system in Georgia*

Georgia has been a correspondent member of International Standards Organization (ISO) since August 1, 2006, with free access to international standards database. National Agency for Standards, Technical Regulation and Metrology represents Georgia at this organization. The agency works on implementing international standards within Certification and Conformity Assessment System of Georgia. This implies that Georgia, at the same time, will become a member of several ISO committees, including conformity assessment committee, with the status of an observer.

New standardization and certification system has been established in accordance with the international requirements. Recently established National Accreditation Organization unifies accreditation functions formerly scattered among various ministries and state institutions of Georgia, was established. It will function in accordance with the international standards and practices, which guarantees confidence in product and service conformity assessment and fairness of accreditation process.

Any organization regardless of its legal structure can become a conformity assessment institution. The Accreditation Center is going to function in accordance with the requirements of the following international standard: ISO/IEC Standard 17011: Conformity Assessment. The standard contains general requirements towards accreditation organizations that carry out accreditation of conformity assessment organizations.

Current reforms establishing the National Agency of Standards, Technical Regulations and Metrology and National Accreditation Center; amendments to legislature regulating metrology, standards and conformity assessments have been implemented in congruence with recommendations of the WTO and other international organizations that focus on elimination of technical barriers to trade, infrastructure development in support of technical regulation systems that operate in compliance with the international requirements. Establishment of such system is of utmost importance with regard to promotion of international trade. To this end, on February 24, 2006, the Government of Georgia issued a decree recognizing technical regulations of the country's main trading partners (see Appendix 1 for the list of 36 countries).

6. *Brief overview of Standardization and Accreditation Systems as it relates to Certification and Conformity Assessment processes*

The National Accreditation Center carries out accreditation of laboratories and other organizations that will be authorized to issue certificates for goods and services and assess their conformity with existing standards and technical regulations. As for the standards and technical regulations, they are developed and registered by the National Agency for Standards, Technical Regulation and Metrology.

II. CERTIFICATION PROCESS BASED ON COMMODITY TYPE

1. *Certificate of Conformity*

Certificate of conformity is issued by an accredited certification agency.

The certification process is regulated by national standard GSS 5.020 : 2006. The following is a sample Certificate of Conformity:

Sample Conformity Certificate

Conformity Sign	Assessment of Conformity Voluntary Product Certification
Certificate #	
CONFORMITY CERTIFICATE	
Valid from ___/___/___ till ___/___/___ The certificate confirms that appropriately identified product.....	
Produced by	
If in compliance with requirements of the normative documents	
Applicant	
Bases for issuance of the certificate	
Additional Information	
Head of the Certification Body	_____ /signature/
Seal	
Expert	_____ /signature/

Currently, the National Agency for Standards, Technical Regulation and Metrology is studying the issue of further improvement of certification process in the field.

2. *Hygienic Certificate*

The following government agencies are in charge of issuing hygienic certificates: State Sanitary Surveillance Inspection under the Ministry of Labor, Health and Social Protection; Sanitary

Surveillance Inspection of Abkhazeti Autonomous Republic and Sanitary Surveillance Inspection of Ajara Autonomous Republic; City and Raion State Sanitary Inspections.

The following documents should be submitted for hygienic certification:

- a) application;
- b) list of personnel employed at the facility subject to sanitary minimum proficiency testing;
- c) design of the facility;
- d) national standard or producer standard;
- e) Documents issued by authorized institution of a producer country, confirming safety (hygienic certificate, hygienic conclusion and so on) of potentially hazardous material, liquid, equipment, instrument and tools used at the facility.

The following additional documents should be submitted for imported products:

- a) product quality certificate;
- b) safety documents, issued by authorized institution of a producer country (hygienic certificate, hygienic conclusion and so on);
- c) user's manual.

Documents submitted for hygienic certification must be prepared in Georgian language and must be validated in accordance with Georgian legislature.

Sample Hygienic Certificate

პროდუქციის ჰიგიენური სერტიფიკატი HIGENIC CERTIFICATE OF PRODUCT	
N	„ „ 200 .
გაცემულია Issued	ორგანიზაციის დასახელება Name of the organization
პროდუქცია Product	პროდუქციის დასახელება Name of the product
დამამზადებელი Manufacturer.....	ფირმის და ქვეყნის დასახელება Name of the firm and country
მიმწოდებელი Supplier	ფირმის და ქვეყნის დასახელება Name of the firm and country
განმცხადებელი Applicant	ორგანიზაციის დასახელება და იურიდიული მისამართი Name of the organization and legal address
დამზადებული(მიღებული) შესაბამისად Manufactured (accepted) according to	საქართველოში წარმოებული პროდუქციის

Specialist, State Sanitary Surveillance Central Inspection

დამტკიცებულია საქართველოს შრომის, ჯანმრთელობისა და სოციალური დაცვის მინისტრის 2003 წლის N ბრძანებით
 Approved by the Minister of Labor, Health and Social Affairs of Georgia With an order of 2003.

The list of products that require a hygienic certificate is approved by the joint decree #297/n/2-289/01/01-01/262/344 of the Minister of Labor, Health and Social Protection, Minister of Agriculture and Food, Minister of Economy, Industry and Trade and Head of State Department for Standardization, Metrology and Certification (November 21, 2003, Tbilisi).

3. *Phytosanitary Certificate*

Food Safety, Veterinary and Plant Protection National Service under the Ministry of Agriculture issues phytosanitary certificates. Certificate of product origin, conformity certificate and license should be presented while applying for Phytosanitary Certificate. The list of products that are required to have Phytosanitary Certificate is prepared by the Ministry of Agriculture and Food and can be requested directly from the Ministry

Sample Phytosanitary Certificate

1 ექსპორტიორი და მისი მისამართი Name and address of exporter	2 ფიტოსანიტარიული სერტიფიკატი PHITOSANITARY CERTIFICATE	
3 გვირგვინის მიმღები და მისი მისამართი Declared means of conveyance	4 საქართველოს მცენარეთა დაცვის ორგანიზაცია Plant Protection Organization of the Georgia მცენარეთა დაცვის ორგანიზაციას to Plant Protection Organization(s) of	
6 საგრანსპორტო საშუალება Declared means of conveyance	საქ. სახ. გერბი	საქართველო სურსათის უვნებლობის, ვეტერინარიისა და მცენარეთა დაცვის ეროვნული სამსახური Georgia Food Safety, Veterinary and Plant Protection National Service
7 შეტანის პუნქტი Declared point of entry		
8 მარკირება; ადგილების რაოდენობა და შეფუთვის სახეობა; პროდუქციის დასახელება; მცენარის ბოტანიკური დასახელება Distinguishing marks; number and description of packages; name of produce; botanical name of plants.		9. რაოდენობა Quantity declared

<p>10. აღნიშნულით დასტურდება, რომ წინამდებარე სერტიფიკატში აღწერილი მცენარეები, მცენარეული პროდუქცია ან კონტროლქვემდებარე სხვა გვირთმასალები გამოკვლეულ და/ან ტესტირებულ იქნა შესაბამისი ოფიციალური პროცედურების მიხედვით, თავისუფალია იმპორტიორი კონტრაქტორი მხარის მიერ განსაზღვრული საკარანტინო ორგანიზმებისაგან და პასუხობს იმპორტიორი კონტრაქტორი მხარის ფიტოსანიტარიულ მოთხოვნებს.</p> <p>This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures, and are considered to be free from the quarantine pests specified by the importing contracting party, and are considered to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests.</p>	
<p>11 დამატებითი დეკლარაცია Additional declaracion</p>	
<p>გაუსწებონება. DDISINFESTATION AND/OR DISINFECTION TREATMENT</p>	<p>18 გაცემის ადგილი Place of issue</p> <p>თარიღი ორგანიზაციის Date შტამპი Stamp of Organization</p> <p>უფლებამოსილი პირის გვარი Name of authorized officer</p> <p>(ხელმოწერა) (Signature)</p>
<p>12 დამუშავების მეთოდი Treatment</p>	
<p>13 ქიმიკატი (მოქმედი ნივთიერება) Chemical (active ingredient) temperature</p>	<p>14 ექსპოზიცია და ტემპერატურა Duration and temperature</p>
<p>15 კონცენტრაცია Concentracion</p>	<p>16 თარიღი Date</p>
<p>17 დამატებითი ინფორმაცია Additional information</p>	

4. *Fire-safety Certificate*

Fire-safety Certificate is no longer required according to Georgian legislation.

Fire Safety Division under the Department for Management of Emergency Situations of the Ministry of Internal Affairs and fire safety brigades at municipalities are in charge of fire safety in the country. This sphere is regulated in accordance with the following normative acts:

1. Law of Georgia on Fire Safety;
2. Decree #9 (January 6, 2006) of the Minister of Internal Affairs of Georgia about Approval of Charter of the Department for Management of Emergency Situations of the Ministry of Internal Affairs.

5. *Telecommunication Certificate*

Georgian National Communications Commission organizes and coordinates activities related to broadcasting equipment and telecommunication terminal equipment certification. The Commission is a permanent independent state authority financed through license fees and other fees collected by services rendered. The Commission submits its annual activity report to the President and the Parliament of Georgia. Activities of the commission are regulated by resolution #2 of the Georgian National Communications Commission (December 24, 2004) on Approval of Certification Regulations for Radio Equipment and Telecommunication Terminal Equipment.

Licenses are issued by the Commission for the use of radio spectrum and/or numbering resources (see Appendix 1 – Extract from the Law of Georgia on Electronic Communications for more details) and for community and private broadcasting (see Appendix 2 – Extract from the Law of Georgia on Broadcasting Sector for more details)

III. Additional Information

A normative act regarding packaging and packaging costs is being prepared in accordance with European Directive # 94/62. Presently the issue is regulated by current Georgian standards.

Contact information for the organizations involved in certification process:

Ministry of Economic Development:

Tsisnami Sabadze, Deputy Head, Department of Economic Policy

Tel: +995 32 93 64 05

Fax: +995 32 98 57 04,

Mobile: + 995 99 19 54 91

tsisnami_s@yahoo.com

Ministry of Agriculture

41 Kostava Street, Tbilisi, Georgia

Tel +995 32 93 23 25

Fax: +995 32 93 23 25

E-mail: ministry@maf.ge

Ministry of Environment Protection and Natural Resources

6 Gulua Street, Tbilisi, Georgia

Tel: +995 32 275716

e-mail: ministry@moe.gov.ge

<http://moe.caucasus.net/ENG/>

Ministry of Justice

30 Rustaveli Ave., Tbilisi 0146, Georgia

Tel.: (995 32) 75-82-20

e-mail: justice@justice.gov.ge

www.justice.gov.ge/index1.html

Georgian National Communications Commission
42, Al. Khazbegi ave. 0177, Tbilisi
Tel.: 921667, Fax: 921625
E-mail: post@gncc.ge
www.gncc.ge

National Agency for Standards, Technical Regulation and Metrology
Alexandre Boroxovichi, Deputy Director
Tel: +995 32 61 25 30
Fax: +995 32 6135 00
Mobile: +995 93 91 96 08
e-mail: saqstandarti@yahoo.com

National Agency for Accreditation
42 Kazbegi Avenue, Tbilisi, Georgia

State Inspection for Technical Supervision
Zurab Javaxishvili
Deputy Chairman
Tel: +995 77 40 18 50

Vine and Wine Department – Samtresti
Ministry of Agriculture
Iuri Lekishvili
41 Kostava Street, Tbilisi, Georgia
Tel: +995 32 32 86 08
Fax: +995 32 93 23 25
E-mail: ministry@maf.ge

Food Safety, Veterinary and Plant Protection National Service,
Ministry of Agriculture
15 Tamarashvilis Street, Tbilisi, Georgia
Tel: +995 32 39 47 31
Fax: +995 32 93 23 25
E-mail: ministry@maf.ge

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

BISNIS Representative in Georgia
Mr. Kartlos Gviniashvili
12 Balanchini Street, Tbilisi
Tel: (995 32) 277 000 ext. 7132
e-mail: gviniashvilik2@state.gov

Appendices

Appendix 1 – List of Main Trade Partner Countries Whose Regulations Are Recognized by the Government of Georgia

1. Australia
2. Austria
3. New Zealand
4. USA
5. Belgium
6. United Kingdom
7. Germany
8. Denmark
9. Spain
10. Estonia
11. Iceland
12. Ireland
13. Italy
14. Japan
15. Cyprus
16. Canada
17. Korea Republic
18. Latvia
19. Lithuania
20. Luxemburg
21. Malta
22. Mexico
23. Netherlands
24. Norway
25. Poland
26. Portugal
27. Greece
28. France
29. Slovakia
30. Slovenia
31. Hungary
32. Czech Republic
33. Finland
34. Sweden
35. Switzerland
36. Israel

Appendix 2 –

Extract from the Law of Georgia on Electronic Communications

1. The Commission shall issue licenses for the use of radio spectrum and/or numbering resources.
2. Licenses for the use of radio spectrum and/or numbering resources shall be issued on the basis of an auction. The Commission shall issue licenses for the use of radio frequency spectrum and/or numbering resource pursuant to the present law, the Georgian law “on licenses and permissions” and the “Regulation on carrying out an auction for the use of radio frequency spectrum and/or numbering resource” approved by the Commission’s Resolution. The Regulation also determines types of auctions to be carried out for obtaining license for the use of radio frequency spectrum and/or numbering resource, procedures for carrying out auctions and rules for calculating the initial amount of the fee to be paid for the use of scarce resources. (28.12.2005 N 2564)
3. Licenses shall be issued for a period of 10 (ten) years.
4. Where radio spectrum and/or numbering resources are used in compliance with the provisions of the present law, the license shall be extended for a period of 10 (ten) years on the Commission’s decision. (28.12.2005 N 2564)
5. Where the term of a license is extended, a license holder shall pay the price established on auctions held during the last 1 year for granting the right of use of a frequency band allocated in compliance with the National Plan for allocation of radio spectrum and/or numbering resources. If during these years, no more than 2 auctions have been held, the license holder shall pay the price established on auctions held during the last 3 years for granting the right of use of a frequency band of radio frequency spectrum and/or numbering resource. Where the term of a license is extended, a license holder shall also pay the license levy. (28.12.2005 N 2564)

Article 50. Grounds for the issue of license (28.12.2005 N 2564)

1. Licenses for the use of radio spectrum and/or numbering resources shall be issued on the grounds of the existence of free resources, application of an authorised undertaking, and/or winning an auction.
2. If the Commission shall decide to hold an auction, the following shall be required:
 - a) the existence of free frequency spectrum allocated in compliance with the National Plan for allocation of radio spectrum and/or of a free numbering resources allocated in compliance with the National Numbering Plan. The Commission’s decision on holding an auction shall define the initial price of exhaustible resources to be auctioned, pursuant to the regulations on holding an auction by the Commission for granting the right of use of radio spectrum and/or numbering resources; and
 - b) the existence of an application of a license holder for the right of use of radio spectrum and/or numbering resources for full or partial transfer to any other undertaking of its right for the use of radio spectrum and/or numbering resources. In such cases, the Commission shall hold an auction pursuant to the general rule defined by the present law.
3. On the Commission’s decision, the right of use of radio spectrum and/or numbering resources may be restricted for those undertakings who become owners of half or

more of the specific frequency band allocated by the Commission from the radio spectrum, by winning the auction and/or by means of direct transfer.

Article 51. Handing over of the right of use of exhaustible resources to another undertaking and direct transmission

1. A license holder with the license for the use of radio spectrum and/or numbering resources shall be empowered to hand over the right of use of radio spectrum and/or numbering resources in full or in part, by means of direct transfer and without auction, by submitting the relevant contract to the Commission within 7 (seven) days from the date of signing the contract. The Commission shall put the relevant changes in the departmental license register within 3 (three) days and issue a certificate of license. (28.12.2005 N 2564)

2. The license holder is entitled to begin activity with the use of radio frequency spectrum and/or numbering resource without prejudice to the provisions of the present law as well as the license conditions, after submitting the relevant information on direct handing over of license and passing authorization pursuant to the rules defined by the present law. (28.12.2005 N 2564)

3. The authorised undertaking having obtained the right of use of frequency spectrum and/or numbering resources by auction shall be empowered to apply to the Commission with a request to hold auction with a view to handing over, in full or in part, the right of use of radio spectrum and/or numbering resources to another authorised undertaking.

Article 52. Issuing licenses by means of auction

1. The Commission shall make a decision to hold an auction for granting licenses for the use of radio spectrum and/or numbering resources at least 2 (two) months in advance and disseminate it:

- a) by mass media; and
- b) via Internet.

2. The Commission's decision on holding an auction shall indicate:

- a) the relevant geographic borders of the services market;
- b) technical and operational conditions which ensure the avoidance of harmful interference and hazardous impact on human health while using exhaustible resources;
- c) initial or proposed price; and
- d) opening and closing dates for submitting application, and the dates for holding an auction.

e) Other data defined in paragraph 10, article 18 of the Georgian law "on licenses and permissions". (28.12.2005 N 2564)

3. 3. Withdrawn (28.12.2005 N 2564)

4. While holding an auction, the Commission shall be guided by the principles of objectivity, transparency and non-discrimination.

5. The Commission shall decide on identifying the winner of the auction. The criterion for identifying the winner shall be the minimum prices offered for the use of exhaustible resources, 30% (thirty per cent) of which shall be paid within 1 (one) day from the date the winner of the auction is identified. The Commission's decision on identifying the winner of the auction shall be disseminated by mass media and Internet.

6. A license shall be issued within 7 (seven) working days from the date of payment of 30% (thirty per cent) of the price for the use of exhaustible resources. The remaining price shall be paid within 1 (one) year from the date of issuing the license, pursuant to the rules defined by the Commission.
7. The winning authorised undertaking which requires permissions from other bodies for the pursuit of its activities, shall, pursuant to "one-stop-shop" principle, submit to the Commission relevant documentation required by Georgian legislation. The Commission, in turn, shall ensure the issue of relevant permission from relevant body. In such cases, within 5 (five) working days from the date of receipt of relevant documentation, the Commission shall apply to relevant bodies and send them the documentation submitted by the winner of the auction. Where within 20 (twenty) working days the relevant body provides the Commission with a refusal to issue a license, the document shall contain irregularities and the ways to repair them. The winner of the auction shall be given additional time to repair the irregularities. (28.12.2005 N 2564)

Article 53. Modification of licenses

1. The grounds for the modification of licenses shall be:
 - a) changes introduced to the legislation of Georgia in the field of electronic communications; and
 - b) reasonable request of the Commission or a license holder.
2. The Commission shall issue decisions on the modification of licenses.

Article 54. Revocation of licenses (28.12.2005 N 2564)

1. The grounds for revoking a license shall be (except the grounds defined in article 61 of the General Administrative Code of Georgia):
 - a) Request of the license-holder;
 - b) Breach of the terms of license.

Appendix 3 – Extract from the Law of Georgia on Broadcasting Sector

Chapter IV

Licensing in the Broadcasting Sector

Article 36. Organization of Licensing

1. The Commission is the only entity authorized to issue broadcasting licenses. The Commission
 - a) issues licenses for the activities defined in this law and maintains a departmental license register;
 - b) provides control on the fulfilment of license conditions;
 - c) modifies, renews, suspends, or revokes licenses according to this law;
 - d) within the scope of licensing, has other responsibilities defined by the legislation.
2. Activity within the broadcasting sector that is related to necessary technical regulation and the usage of scarce resources shall be undertaken under the relevant license only, except for the Public Service Broadcaster and cases determined in Article 75 of this law. Activity in the broadcasting sector without the relevant license is punishable by law.

Article 37. Licence holders in the broadcasting sector

1. A license holder may be any natural person or legal entity resident in Georgia.
2. A broadcasting licence should not be held by:
 - a) An administrative authority, officials or employees of an administrative authority;
 - b) A legal entity interdependent with, or controlled by, an administrative authority;
 - c) A political party or its officials.

Article 38. Types of Broadcasting Licenses

1. The Commission issues community and private broadcasting licenses.
2. The Commission issues private broadcasting licenses for general and specialized broadcasting.
3. General and specialized broadcasting is provided by the terrestrial stations of broadcasting satellite systems, cable networks or the frequency spectrum. Transit of broadcasting through the frequency spectrum is unauthorized, except for the unaltered broadcasting of television and radio programs legally received from a licensed broadcaster under Georgian legislation. (28.12.2005 N 2565)
4. Licenses for frequency spectrum-based broadcasting shall be issued, modified, suspended and revoked following public administrative proceedings; licenses for activities by the frequency spectrum, as well as by terrestrial stations of broadcasting satellite systems or cable networks, shall be suspended and revoked under the same procedures.
5. Licenses for terrestrial stations of broadcasting satellite systems or cable networks shall be issued and modified under simple administrative procedures.

Article 39. The Validity of Broadcasting Licenses

A license is issued for a ten-year term. On expiration, a license may be prolonged automatically once, if the sanctions determined by article 72, paragraph 2, have not been applied to the license holder. In this instance, the license holder pays a license levy and an initial license fee in cases determined by the legislation. Six months prior to the expiration of a license, the license holder shall submit an application to the Commission for the announcement of an open competition. The Commission shall conduct the competition before the license expires.

Article 40. Terrestrial License Service Area

1. According to the decision of the Commission, the territory of Georgia is divided into terrestrial broadcasting service areas.
2. A terrestrial broadcasting license holder shall ensure the accessibility of quality reception of radio or television signals for at least 90% of the population in the proposed service area.
3. For the acquisition of national and/or local broadcasting licenses considered in article 38, paragraph 2 of this law, separate competitions shall be arranged.

Article 41. Broadcasting License Issuance Procedure

1. The Commission shall, within 30 working days of submission of an application, take the decision on issuance of a license for the activity of terrestrial stations of satellite broadcasting and/or cable network; licenses for the frequency spectrum activities shall be issued by means of open competition. (02.06.2005 N 1516)

2. The license seeker shall, for acquiring a broadcasting licence, submit to the Commission an application consisting of the following:

- a) For an individual - first and last name, date and place of birth, registration data, address and citizenship;
- b) For a legal entity - name of the organization, organizational-legal form, legal address (locality), registration data as listed in the manufacturing register, first and last name of the authorized representative, information on partners and shareholders holding more than 5% of shares;
- c) The type of broadcasting license required by the seeker;
- d) proposed geographical area for broadcasting;
- e) proposed duration of broadcasting within a 24-hour period;

3. The following shall be annexed to the application:
 - a) Withdrawn (28.12.2005 N 2565)
 - b) copies of the documentation asserting state registration; for an individual – a copy of his/her identity card;
 - c) the document confirming payment of the license levy;
4. The terrestrial broadcasting license seeker shall annex the following to the documents determined in Paragraph 3 of this Article:
 - a) a financial plan for the broadcasting activity to be carried out; (28.12.2005 N 2565)
 - b) documents on the technical means to be used for broadcasting;
 - c) a broadcasting concept;
 - d) confirmation of a 10% payment of the initial license fee. This amount shall be transferred to the account of the Commission. If the applicant does not obtain a license, this amount, excluding the bank fee, shall be returned to the applicant within 10 working days of a written application being submitted to the Commission. A successful applicant shall pay the remainder of the license fee according to the rule determined by the Commission.
5. Only the Commission issues licenses and authorizations. The establishment of and request for other types of licences or authorizations is prohibited (one stop principle).
6. Withdrawn (02.06.2005 N 1516)

Article 42. The Basis for Application Refusal

1. The Commission shall not accept an application if:
 - a) documents determined in this law are not fully presented;
 - b) the application is submitted by an entity defined in Article 37 of this law;
 - c) a new application concerning acquisition of a license or authorization is submitted by a license holder sanctioned by the Commission for any violation envisaged in this law, if the application is submitted within a year of such a decision being taken.

Article 43. Terrestrial Broadcasting License Issuance Procedure

1. The decision of the Commission on the announcement of an open competition shall include:
 - a) the exact name of the license to be issued;
 - b) broadcasting type, subjects, minimal duration and geographical area to be covered;
 - c) minimal requirements for programming (the concept submitted by the license seeker shall comply with these requirements); (28.12.2005 N 2565)
 - d) technical parameters; projects submitted by the license seeker shall comply with these parameters;
 - e) the amount of the license fee and payment procedure;
 - f) dates of conducting a preparatory session and competition.
2. At least 2 (two) months prior to the date of the open competition, the Commission shall publish information about the competition; (28.12.2005 N 2565)

3. The Commission shall, 20 (twenty) days before the open competition, arrange the preparatory session; All seekers shall submit an application and attached documents to the Commission at the preparatory session. The submitted documents shall be immediately opened in attendance of all participants and shall be made available to the public. (28.12.2005 N 2565)
4. In case incomplete and/or incorrect documents are submitted, the Commission shall notify the bidder and give him/her additional time (no less than 5 and no more than 15 days) to correct the application and make it comply with the requirements set forth in this law. The application and the attached documents shall not be sent by post.
5. If a submitted application is incomplete, or the investment obligations and minimal requirements of programming are not fulfilled, the Commission considers a decision on rejection of the application and excluding the license seeker from participating in the competition.
6. The Commission holds the competition during a public session.
7. The Commission shall evaluate the application and the attached documents according to aspects of programming.
8. If the winner is defined by aspects of programming, the following shall be considered during the evaluation:
 - a) the proposed program's diversity of and conformity with audience interest;
 - b) the availability of other broadcasters' programs within the same service area and target audience.
9. In case the license seekers participating in the competition are evaluated equally, the license seeker who undertook broadcasting on the basis of a previously issued license, with the use of frequencies granted on the basis of a competition, shall be declared the winner.
10. The Commission adopts and publishes a justified decision on determination of a winner.
11. If only one seeker participates in an open competition, he/she shall be defined a winner on confirmation of the license fee payment.
 - 11.1. In case a competition winner requires the permission of other authorities to carry out broadcasting with the usage of frequency spectrum, in order to receive this permission using the one-stop-shop principle, the winner is entitled to submit the relevant documentation required by Georgian legislation to the Commission and the Commission shall ensure permission is obtained from the relevant entities. In such cases, the Commission shall within 5 working days of the documentation being submitted, send the documentation submitted by the winner of competition to the relevant entities. If within 20 working days, a relevant entity refuses to issue a permit, the refusal shall justify unconformity with Georgian legislation and indicate ways to correct such unconformity. An additional time period shall be given to the winner of the tender to correct any unconformity. (02.06.2005 N 1516)
12. If a winner fails to pay 20% of the license fee within the term defined in the Commission's decision, the Commission shall take a decision to refuse to consider a

license application (in such cases, the seeker is not permitted to submit to the Commission an application to participate in an open competition for a 2-year period.

Article 44. Refusal to Issue a License

1. The Commission shall refuse to issue a license if the seeker does not win an open competition. Refusal to issue a licence shall be approved by resolution of the Commission.
2. The Commission's refusal to issue a licence may be appealed to the court.

Article 45. License modification

1. The basis for license modification may be due to:
 - a) amendments to the legislation in force and/or changes in strategic trends and priorities in the broadcasting sector;
 - b) reasonable request of the Commission and/or a license holder.
2. The Commission shall decide on license modification under the rule determined in this law, within the terms defined in the General Administrative Code of Georgia.
3. A license shall not be modified if modification causes a basic change in the license, or the activity area. In such cases a new license shall be issued according to the procedures determined in the law.

Kartlos Gviniashvili
BISNIS Representative, Tbilisi, Georgia
Tel: (995 32) 277 000 ext. 7132
e-mail: gviniashvili2@state.gov

*For more information on Georgia, visit BISNIS online at
<http://www.bisnis.doc.gov/bisnis/country/Georgia.cfm>.*

BISNIS (www.bisnis.doc.gov) is part of the U.S. Commercial Service (www.export.gov).