

Updated Information about actions of local proxy regimes in Georgian two occupied regions

- In 2014, Georgia signed Agreement with the EU on Deep and Comprehensive Free Trade Area. This Agreement is of utmost importance for Georgian export and trade development overall. It will significantly contribute to the improvement of social welfare, poverty eradication and employment opportunities in Georgia.
- Georgian Government tries to promote this objectives on the whole territory of the country that is really a challenging task because after the August 2008 Russia-Georgia war, the Russian Federation continues the occupation of the 20% of Georgia's sovereign territory - Abkhazia and Tskhinvali region/South Ossetia - in a flagrant violation of fundamental principles of international law and the August 2008 ceasefire agreement. International community, including Sweden, firmly supports the territorial integrity and sovereignty of Georgia.
- These efforts are as well hindered by the actions of local proxy regimes in these two occupied regions. For example, last year the occupation regime of Abkhazia has appointed the representatives of so called "Abkhazian chamber of commerce and industry" to some countries. However, no country so far confirmed any official or business contacts with those representatives.
- In order to avoid violation of Georgian and International laws and consequent misunderstandings in future, Georgian side would like to inform that the signing of any kind of agreement or establishing any commercial and business activities with the local proxy regimes violates the Law of Georgia on Occupied Territories (**Please see attachment**) and contradicts the fundamental principles of international law.
- According to the Georgian legislation, special legal regime applies to the occupied regions of Georgia, which prohibits any economic activities (entrepreneurial or non-entrepreneurial) therein. Furthermore, the Law establishes rules for entering the occupied regions, which is allowed from the territory controlled by the central Government of Georgia (from the Zugdidi and Gori Municipalities).
- Through initiating cooperation with various foreign trade organizations and companies and signing the so-called bilateral agreements with them, regime in

Abkhazia attempts to validate the so called “independence” of Abkhazia, and thus, legitimize the occupation and ethnic cleansing that took place there.

- Georgian side would highly appreciate if the representatives of the Swedish Chamber of Commerce and Industry and other official and non-governmental business organizations, take into consideration actual situation and refrain from formal contacts with the representatives of occupying regimes from Abkhazia or South Ossetia.
- At the same time, we would like to underline that the aim of Georgia is not to isolate these occupied regions. The Government of Georgia is implementing the State Strategy on Occupied Territories which was elaborated for confidence-building purposes.
- Therefore, the Government of Georgia is ready to consider the modalities of the legitimate business contacts with Abkhazian region, in accordance with Georgia’s legislation and State Strategy.

Attachment: 4 pages.

LAW OF GEORGIA

ON OCCUPIED TERRITORIES

Georgia is a sovereign, unified, and indivisible state, and the presence of the armed forces of any other state on its territory without an explicit and voluntary consent of the State of Georgia is an illegal military occupation of the territory of a sovereign state according to the Hague Regulations of 1907, Fourth Geneva Convention of 1949 and the norms of customary international law.

Article 1 – Purpose of the Law

This Law aims to define the status of territories that have been occupied as a result of military aggression by the Russian Federation, and to establish a special legal regime for these territories.

Article 2 – Occupied territories and maritime zones

For the purpose of this Law, the occupied territories and maritime zones ('the occupied territories') shall be:

- a) the territories of the Autonomous Republic of Abkhazia;
- b) Tskhinvali region (the territories of the former South Ossetian Autonomous Region);
- c) on the Black Sea: the inland waters and the territorial sea of Georgia, their bed and subsoil falling within the water area along the state border with the Russian Federation, to the South of the Psou River up to the administrative border at the influx of the Enguri River into the Black Sea, over which Georgia exercises its sovereignty, as well as the following maritime zones: the adjacent zone, the special economic zone, and the continental shelf, where, according to the norms of the legislation of Georgia and the international law, in particular the UN Convention on the Law of the Sea of 1982, Georgia exercises fiscal, sanitary, immigration and taxation rights in the adjacent zone, and sovereign rights and jurisdiction – within the special economic zone and on the continental shelf;
- d) the air space over the territories provided for in paragraphs (a-c) of this article.

Law of Georgia No 3806 of 12 November 2010 – LHG I, No 66, 3.12.2010, Art. 414

Article 3 – Legal regime of the occupied territories

The emergency rule and special legal regime shall apply to the occupied territories for the validity period of this Law. This implies restrictions on free movement, conducting economic activities, and concluding transactions regarding real property in the occupied territories and with respect to other issues defined under this Law.

Article 4 – Restriction on free movement in the occupied territories

1. Foreign citizens and stateless persons shall be allowed to enter the occupied territories only through the below route:
 - a) Autonomous Republic of Abkhazia – from Zugdidi municipality direction;
 - b) Tskhinvali region (the territories of the former South Ossetian Autonomous Region) – from Gori municipality direction.
2. Entry of the occupied territories by foreign citizens and stateless persons from any other direction, except from those defined in the first paragraph of this article, shall be prohibited and be punishable under the Criminal Code of Georgia.
3. In a particular case, persons defined in the second paragraph of this article may be granted special permission to enter the occupied territories from the prohibited directions under procedures determined by a legal act of the Government of Georgia, if this serves the state interests of Georgia, the purpose of peaceful settlement of the conflict, de-occupation, restoration of confidence between the population affected by war, or humanitarian purposes.
4. Prohibition under the second paragraph of this article and the respective liability shall not apply to:
 - a) foreign citizens or stateless persons who entered Georgia and who seek asylum in the State under the Constitution of Georgia if there are no elements of another crime in their actions; persons who have committed this act because of being victims of human trafficking before they were granted the status of a victim of human trafficking;
 - b) persons who provide urgent humanitarian assistance in the occupied territories to ensure the rights of people to life, in particular to provide the population with food, medicines, and articles of daily necessity;
 - c) persons with neutral identity cards and/or neutral travel documents issued to them.
5. Persons under paragraph (4)(a-b) of this article shall be obliged, before entering the occupied territories from prohibited directions, to notify the



Government of Georgia of the time of entry and time of exit from the occupied territories; and, if notification before the entry is impossible, they shall be obliged to notify the Government of Georgia of the time of entry and time of exit within a reasonable time after the entry. The persons under paragraph (4)(b) of this article shall also be obliged to submit information on the assistance they provided to the population.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39

Law of Georgia No 4994 of 1 July 2011 – website, 15.7.2011

Article 5 – Title to real property in the occupied territories

1. Any transaction regarding real property that is concluded within the occupied territories in violation of the legislation of Georgia shall be deemed void from the time of its conclusion and shall have no legal implications.

2. The right of property within the occupied territories shall be protected and shall be regulated under the legislation of Georgia.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39

Article 6 – Restriction of economic activity in the occupied territories

1. The following activities shall be prohibited in the occupied territories:

a) any economic (entrepreneurial or non-entrepreneurial) activity, irrespective of whether it is carried out to gain profit, income or compensation, if an appropriate licence or a permit, authorisation or registration is required to conduct this activity under the Laws of Georgia on Licences and Permits, on Entrepreneurs, on Museums, on Water, on Public Registry, and on Electronic Communications, as well as under the Maritime Code of Georgia, or the Civil Code of Georgia; or, if such an activity, according to the legislation of Georgia, needs to be coordinated, in the absence thereof;

b) bringing in and/or taking out military and dual-purpose products;

c) international air and maritime traffic, except as provided for in the UN Convention on the Law of the Sea of 1982;

c¹) railway and international overland traffic;

d) the use of public resources;

e) the arrangement of money transfers;

f) financing or otherwise facilitating the activities provided for in sub-paragraphs (a-e) of this paragraph.

2. Activities prohibited under the first paragraph of this article may only be carried out in the occupied territories in a particular case with a special consent to be given under procedures determined by a legal act of the Government of Georgia, if this serves the state interests of Georgia, purposes of peaceful settlement of the conflict, de-occupation, restoration of confidence between the populations affected by war, or humanitarian purposes.

3. Violation of the requirements of this article shall entail liability under the legislation of Georgia.

4. Sanctions determined by the legislation of Georgia for conducting activities under the first paragraph of this article in the occupied territories shall also apply to related persons, i.e. persons who, directly or indirectly, participate in the capital of persons conducting activities under the first paragraph of this article, and/or have any form of influence on the decisions made by them.

5. For the purpose of the fourth paragraph of this article, a related person shall be:

a) a person who has equity or more than five per cent of shares in a person conducting an activity under the first paragraph of this article;

b) a person who has equity or more than twenty five per cent of shares in a person defined in sub-paragraph (a) of this paragraph;

c) a person who has equity or more than fifty per cent of shares in a person defined in sub-paragraph (b) of this paragraph.

6. The prohibition under the first paragraph of this article and liability under the third and fourth paragraphs of this article shall not apply to the persons who provide urgent humanitarian assistance in the occupied territories to ensure the rights of people to life, in particular to provide the population with food, medicines, and articles of daily necessity.

7. Persons under the sixth paragraph of this article shall be obliged, before conducting the activity defined in the sixth paragraph of this article in the occupied territories, to notify the Government of Georgia of the start time and end time of a respective activity to be conducted/conducted in the occupied territories; and if notification before conducting the activity is not possible, they shall be obliged to notify the Government of Georgia of the start time and end time within a reasonable time after the activity has been conducted. They shall also be obliged to submit information on the assistance they provided to the population.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39

Law of Georgia No 4145 of 17 December 2010 – LHG I, No 76, 29.12.2010, Art. 517

Article 7 – Protection of human rights and cultural heritage in the occupied territories



1. The occupied territories are an integral part of Georgia, to which the legislation of Georgia shall apply. Responsibility for violation of universally recognised human rights defined by the Constitution of Georgia in the occupied territories shall be laid on the Russian Federation, under the norms of international law.
2. Executive authority of Georgia shall be obliged to periodically inform the appropriate international organisations on violations of human rights in the occupied territories.
3. The responsibility of the Russian Federation, as the state carrying out military occupation, to indemnify for material and moral damages inflicted in the occupied territories on citizens of Georgia, stateless persons and foreign citizens who are staying in Georgia with appropriate permission and having moved onto the occupied territories shall be established under the norms and principles of international law.
4. The responsibility of the Russian Federation, as the state carrying out military occupation, to protect cultural heritage in the occupied territories shall be established under the norms and principles of international law.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39

Article 8 – Illegal bodies (officials)

1. A body (official) shall be illegal if it is not established (appointed/elected) under the procedures determined by the legislation of Georgia, and/or if in any form it actually performs legislative, executive, or judicial functions or other activity in the occupied territories that fall within functions of the State or local self-government bodies of Georgia.
2. Any act issued by the bodies defined in the first paragraph of this article shall be deemed void and shall have no legal implications, except when the act is used to issue a neutral identity card and/or neutral travel document as determined by the legislation of Georgia.
3. The possibility of establishing facts of civil significance in the occupied territories shall be ensured under the Law of Georgia on Civil Acts.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39

Law of Georgia No 4994 of 1 July 2011 – website, 15.7.2011

Law of Georgia No 5576 of 20 December 2011 – website, 28.12.2011

Article 9 – Obligations of the Georgian authorities

1. If the requirements of this Law are violated, the Georgian authorities shall be obliged to apply all mechanisms under the legislation of Georgia and international law to protect the legal interests and security of Georgia.
2. The Government of Georgia shall be obliged to ensure conclusion of bilateral agreements to ensure that a contracting state applies appropriate statutory sanctions of the contracting state to the persons violating this Law.

Article 10 – Transitional provisions

1. Within one month after the entry of this Law into force, the Government of Georgia shall ensure adoption of all legal acts that are provided for by this Law, and shall establish a special regime over the occupied territories.
2. Based on the Cease-fire Agreement of 12 August 2008, this Law shall also apply to the following territories: village Perevi of Sachkhere district, territories of Kurta, Eredvi and Azhara municipalities and Akhlagori municipality.

Article 11 – Entry of the Law into force

1. This Law shall enter into force upon its promulgation.
2. Articles 5, 6 and 8 of this Law shall apply to relations having been established since 1990. No provisions of these articles that indicate criminal responsibility shall have retroactive force.
3. The legal regime under this Law shall be in force until the jurisdiction of Georgia is fully restored over the occupied territories.
4. The Parliament of Georgia shall consider the appropriateness of making amendments to this Law in line with the de-occupation process before 1 January 2012.

Law of Georgia No 2676 of 26 February 2010 – LHG I, No 10, 16.3.2010, Art. 39



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