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Committee on Import Licensing Original: English

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES[1]

Notification under Article 7.3 of the Agreement
on Import Licensing Procedures

GEORGIA

The following communication, dated 13 March 2012, is being circulated at the request of the delegation of Georgia.

Outline of system

1. In past years, a number of steps were undertaken with the aim of simplifying non-tariff regulation in Georgia. Aiming simplification of the licensing system and reduction of administrative barriers, the Parliament of Georgia adopted the new Law on "Licenses and Permits" on 24 June 2005.

Activities for production are licensed according to an above mentiond Law, as well as by sub-legal acts for law implementation. The legislation on licensing defines the activities according to fields (categories and sub categories) and special criteria for licensing; required documentation and any other accompanying documents for each activity. Licenses issued by the various governmental bodies.

Main innovations of the new system are:

- One Stop Shop - a business applies to only one body.
- "Silence is consent" - if no reasonable rejection is given within a predetermined time limit, the license/permit is deemed issued by the licensing authority.

Simplified procedures for license issuance if the applicant demands a license/permission for a particular business and has another license/permission in the same sphere of business activity.

There are no restrictions of licensing requirements or other non-tariff barriers, except for necessity to protect public health, national security and environment.

Purposes and coverage of licensing

2. The import of the following products is subject to permission in Georgia:

[1] See document G/LIC/3, Annex, for the Questionnaire.

(a) Products of floral origin subject to phytosanitary control;
(b) Products subject to veterinary control;
(c) Endangered wild flora or fauna specimens;
(d) Nuclear, radioactive objects, nuclear materials, radioactive substances, radioactive wastes, minerals (subsoil) from which it is practically possible to extract nuclear materials, also nuclear technologies, all that is made of nuclear materials or radioactive substances or contains them as a component;
(e) Military equipment and technique;
(f) Pharmaceutical products under special control;
(g) Product of dual purposes;
(h) Non-ionic salt;
(i) Surveillance equipment;
(j) Materials of limited circulation.

In the case of (a), (b) and (h) the permission on importation is granted by the Ministry of Agriculture.

In the case of (c) the license and in the case of (j) the permission is granted by the Ministry of Environment of Georgia.

In the case of (d) the permission is granted by the Ministry of Energy and Natural Resources of Georgia.

In the case of (e) the permission on importation is granted by the Ministry of Defense of Georgia.

In the case of (i) the permission on importation is granted by the Ministry of Internal Affairs of Georgia.

In the case of (f) the permission is granted by the Ministry of Labor, Health and Social Affairs of Georgia, taking into account the requirements of the existing UN Convention.

In case of (g) the license is granted by the Ministry of Economy and Sustainable Development of Georgia.

3. The licenses and permissions apply to any product imported from any country, and products originating in any country.

The import of products specified in case (b) can be restricted if the place of their origin was identified as the infected zone with respect to animal disease.

The list of diseases is established by Governmental Decree.

4. The license and permission requirements do not include any quantitative or value restrictions. In case of (a) and (b) the objective is to protect the safety of food products. In case of (c), (d) and (j) the permission is required for the environmental reasons. In the case of (f) and (h), import permission is for public health purposes. In the case of (e), (i) and (g) the permission aims to ensure the interests of national and international security. In the case of (j) the objective is to protect the safety.

5. The import licensing[2] system is regulated by the Law of Georgia on "Licenses and Permissions" 2005; the Law of Georgia on "Licensing and Permission Fees" 2003. In addition to that:

(a) Issuing permissions for import of weapons is regulated by the Law of Georgia on "Control of Import and Export of Armaments, Military Equipment and Products of Dual Purposes" 1998; "Law on Arms" 2003; Governmental Decree # 144 of 23 August 2005 on "Rules for Issuing Licenses and Permissions Related to Trade with Weapons".

(b) Issuing permissions for imports of pesticides is regulated by the Law of Georgia on "Pesticides and Agricultural Chemicals", 1998.

(c) Issuing permission for import of pharmaceutical products subject of special control is regulated by the following regulatory acts: Law of Georgia on "Narcotic Drugs , Psychotropic Substances, Precursors and Narcological Aid" 2002, Decree of the Minister of Labor, Health and Social Affairs of Georgia #22/n of 22 January 2004 "Adopted List of Pharmaceutical Products Containing Narcotic Drugs, Psychotropic substances, Precursors and Some Psychoactive substances and Rules on Their Legal Turnover"; The Decree of the Government of Georgia # 176 of 14 October 2005 on "Clinical Research of Pharmacological Products, Pharmaceutical Production, Authorized Pharmacies and Rules and Terms on Issuing Permission for Import or Export of Pharmaceutical Products Subject of Special Control"; Law of Georgia of 15 October 2009 on "Drugs and Pharmaceutical Activity".

(d) Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Governmental Decree # 18 of 6 February 2007 on "Approving Provision on Regulations and Conditions of Issuing Permits on Export, Import, Re-export and Introduction from the Seas of Species, Their Parts and Derivatives Included in the Annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)".

(e) Governmental Decree # 135 of 11 August 2005 on "Rules for Issuing Licenses and Permissions for nuclear and radioactive activities".

(f) Governmental Decree # 100 of 31 May 2006 on "Amendments to the Governmental Decree # 185 of 14 October 2005 on Rules and Terms on Issuing the Import Permission for Non-iodic salt" regulates the import of non-iodic salt.

The licensing system is administered by the different governmental bodies.

The Government of Georgia has no authorization to abolish the system without legislation amendments. The abolishment of system requires legislative changes.

The legislation does not leave designation of products to be subjected to licensing to administrative discretion.

Procedures

6. The legislation of Georgia does not envisage any quantitative restrictions. However there are quantitative restrictions on imports of medicines subject to special control on narcotics, psychotropic substances, precursors, the quotas of which are determined by the Ministry of Labor, Health and Social Affairs of Georgia taking into account the requirements of the existing UN Convention and the list on quantity has to be sent to the UN International Narcotics Control Board for the approval.

[2] The word "licence" is used with the meaning of "permission".

The Parliament of Georgia is authorized to present to the Permanent Commission on Military-Technical Issues of the Ministry of Defense of Georgia the list of countries for which the import of military equipment, arms and products of dual purposes might be restricted.

I. The information regarding the import of military equipment and arms is confidential for national security reasons.

Pharmaceutical products under special control are envisaged by the Law of Georgia on "Narcotic Drugs, Psychotropic Substances, Precursors and Narcological Aid" and the Decree of the Minister of Labor, Health and Social Affairs of Georgia #22/n of 22 January 2004 on "Adopted List of Pharmaceutical Products Containing Narcotic Drugs, Psychotropic substances, Precursors and Some Psychoactive substances and Rules on Their Legal Turnover". The information on allocation of quotas and formalities for application are available for public. The total amounts of the quotas are available from the UN International Narcotics Control Board web-site.

The information concerning the registration of importers of pharmaceutical products subject to special control is available from the State Regulation Agency for Medical Activities.

Licenser provides availability of public information on issued licenses for interested bodies.

The information on procedures of license issued as well as amendments or its termination is published in the official Georgian agency of press "Georgian legislative news".

II. The size of quotas on weapons and other military equipment is determined by the Permanent Joint Commission on Military-Technical Issues of the Ministry of Defense of Georgia.

The state requirements of pharmaceutical products under special control is determined annually in accordance to country needs and approval by UN International Narcotics Control Board. The Ministry of Labor, Health and Social Affairs determines the annual requirements and submits them for further approval to UN International Narcotics Control Board.

Period of validity of import permission for pharmaceutical products under special control is determined according to the requirement of the applicant.

III. The permission on the import of pharmaceutical products subject to special control is given only to the legal entities holding the relevant license for their business activities. Before the importation the legal entities have to receive the preliminary permission issued by the State Regulation Agency for Medical Activities. After the importation, the Customs Authorities record the quantity of imported goods and information is provided to the Ministry of Labor, Health and Social Affairs of Georgia (State Regulation Agency for Medical Activities)), which subsequently notifies the relevant authorities of exporting country about the importation. Correspondingly, the names of legal persons possessing the import permission are known to government.

The unused allocations are added to quotas for a succeeding period.

IV. The application for import permission for medicines subject of special control can be submitted immediately after announcing the opening of quotas.

V. The decision on granting import permission for pharmaceutical products under special control is made within 20 days period after receiving application according to the Georgian Law on "Licensing and Permits".

VI. Importers are able to import commodities as soon as they receive the permission.

VII. The import of narcotics, psychotropic substances and precursors is allowed by State order only. The list and the quotas of the above-mentioned medicines, determined by the Ministry of Labor, Health and Social Affairs together with the Ministry of Interior Affairs of Georgia, subsequently is presented to Georgian Parliament for the final approval.

The Permanent Joint Commission of Military-Technical Issues of the Ministry of Defense considers the license application on import of weapons, military equipment and techniques. The recommendation of the above-mentioned Commission is compulsory for the granting of the import license by the Ministry of Defence.

VIII. If the demand for permission cannot be fully satisfied the allocation of quotas for medicines and pharmaceuticals subject to special control is made in accordance to the relevant regulatory acts specified in paragraph 5 and the quotas are allocated per applicant at a certain quantity.

IX. The import permission for pharmaceutical products subject to special control is required in any case. Besides, the exporting country has to possess the original copy of the tentative agreement with the importing country, then to notify the UN International Narcotics Control Board about the export from her country.

X. The import of pharmaceutical products subject to special control is implemented by State Regulation Agency for Medical Activities. After the mentioned products were imported/exported, the Customs Authorities of Georgia records the quantity of imported/exported goods, informs the Ministry of Labor, Health and Social Affairs of Georgia, which subsequently notifies the relevant authorities of exporting country about the importation.

After the export of pharmaceutical products subject to special control has been completed, the Ministry of Labor, Health and Social Affairs of Georgia (State Regulation Agency for Medical Activities) requests from the competent authorities of the importing country the information regarding quantity of exported goods.

XI. Pharmaceutical Plants operating in Georgia have the right to manufacture pharmaceutical products without registration in Georgia for export purposes.

7.(a) The maximum time for obtaining a license (for import of pharmaceutical products under special control) is 20 days after submission of completed documents.

(b) There is no defined shorter time-limit, but the legislation provides that if no reasonable rejection is given within a predetermined time limit, the license/permit is deemed issued by the licensing authority.

For the products specified in case (a), (b) and (h) the minimum period for issuing the permission is 1 day and maximum 20 days.

(c) There are no limitations for the period of the year during which applications for import permission may be made.

(d) The Law of Georgia on "Licenses and Permissions" provides the principle of "One Stop Shop" - a business applies to only one body. In case of importation of products of dual purposes the applicant has to obtain the recommendation of the Permanent Joint Commission of Military-Technical Issues of the Ministry of Defense of Georgia.

In all other cases, consideration of license applications is carried out by a single administrative organ.

8. The reasons for rejection of a license may be the following:

(a) The application presented by the applicant does not fulfill the requirements prescribed by the relevant law;

(b) The application presented by the applicant does not fulfill the terms adopted by the local governmental bodies according to the relevant law.

The reasons for refusal are given to the applicant in written form. The applicant has the right to appeal for refusal in the upper administrative organ or the court.

The application for import of products specified in case (a) and (b) can be rejected if the place of the origin of product was identified as the infected zone with respect to an animal disease listed by Terrestrial Animal Health Code.

Eligibility of importers to apply for licence

9.(a) Under restrictive licensing system - the eligibility to apply for permission on importation of narcotic and psychoactive substances have only a) legal entity possessing the license on this activity and b) medical-research institutions. A person convicted in court and recorded at the neurological dispensary is not eligible for licenses.

(b) Under the non-restrictive system any person has the right to obtain a license.

There is no system of registration of persons or firms permitted to engage in importation.

There is no registration fee. There is a list of license holders published in State Register of Licenses/Permissions.

Documentational and other requirements for application for a licence

10. The application should be made in written form (Article 78 of the General Administrative Code of Georgia) which includes the following:

- Name of administrative organ, the applicant addresses to;
- Name and address of applicant;
- Request;
- Date of submission and signature;
- List of attached documents if any.

The following documentation should be submitted together with the application:

- Note from the State Register for legal entities of Private Law and individual entrepreneurs;
- For natural persons - identification document;
- For legal entities of Public Law - certified copies of documents on establishment together;

- The document on payment of permission fees;
- For import of products specified in case (b) Veterinary Certificate, for biological agent - registration note, for products specifies in case (h) note on non edibility;
- For import of products specified in case (c) certificate of origin issued by exporting country, in case of import live specimens, the documentation on relevant terms of storage and maintenance as well as precise information on recipient (full name and address).

For receiving import permission for pharmaceutical products under special control the following documentation are required: permission for conducting special activity (import of pharmaceutical products under special control); agreement between importer and supplier; invoice (includes information on import operation); preliminary agreement between competent authorities of importing and exporting countries; check on payment of fees.

11. Upon importation it is required to present documentation necessary for customs clearance: (in particular: customs declaration; document on authorization of applicant; contract between individuals involved in transaction; document on transportation; invoice; certificate of tax payer; certificate of origin) along with import permission.

12. There is a one-time mandatory fee for obtaining the permissions aiming to cover the administrative expenses. The amount for the permission fees is determined in accordance to the Law of Georgia on "Licensing and Permission Fees".

The Law of Georgia on "Licensing and Permission Fees" envisages the fee of 30 GEL for the import permission for product of dual purposes.

For biological, medical, chemical and pharmaceutical agents (used in veterinary), products of animal origin, animal feed the amount for issuing permission is 50 GEL, for live animal and animal origin stuff 30 GEL, and for the products of floral origin subject to phytosanitary control 25 GEL.

Fees for receiving import permission for pharmaceutical products under special control equal to 100 GEL.

In case of military equipment import fee is 0.5 per cent of the weapons and military equipment with the total value between 500GEL to 10 000 000 GEL and 0.1 per cent for the products above 10 000 000 GEL, but the maximum amount of fee must not exceed 120 000 GEL. A bill on payment of the fee should be submitted to the Military-Technical commission along with other documents while applying for the permit.

13. There is no advance payment.

Conditions of licensing

14. In general the permission is issued for an unlimited time period, as well as for defined time period, stipulated by Law. The validity of permission can be extended by government upon a justified request from administrative organs responsible to issue permissions.

The validity of a permission can be automatically extended if the terms for the obtaining the license were not amended according to the relevant Law and the applicant would present the application along with the bill of payment of permission fee.

The validity of an import permission for products subject to veterinary control is one month; the validity of an import permission for products of floral origin subject to phytosanitary control is maximum 6 months, that can be extended from 3 to 6 months; the validity of import permission for

endangered wild flora or fauna specimens is 12 months; the validity of an import permission for products specified in case (d) is up to 6 months.

Licenses and permits obtained on import of weapons and military equipment do not have period of validity.

15. There are no penalties for the non-use of a license.

16. The issued permissions can be transferable among importers if it is not forbidden according to legislation. The license is not transferable by right of succession.

17. There are no other conditions attached to the issue of a license.

Other procedural requirements

18. There are no other administrative procedures for obtaining a license.

19. The imported commodities are automatically provided with foreign exchange by banking authorities.

The license is not required as a condition of obtaining foreign exchange. Foreign exchange is always available to cover an issued license/permission. There are no formalities for obtaining foreign exchange.