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Parliament of Georgia adopted the law on changes to the Law on Securities Market

- ▶ On 29 June 2020, Changes to the Law on Securities Market was published on the website of the Legislative Herald of Georgia;
- ▶ The law aims to correct the deficiencies with respect to Issuer transparency and possible abuses of market power , as well as ensure that only the companies which have the capacity to comply with the regulations will have the status of the issuer of public securities;
- ▶ Law specifies its scope with respect to Government Securities. According to the change, unlike the existing edition over the counter agreements on Government Securities concluded by commercial banks will fall within the scope of the law.
- ▶ Law specifies respective definitions of Issuer of Public Securities and Accountable Enterprise, and sets out that not only the later but all Issuers of Public Securities must have their securities managed by the Securities Registrar; They must also comply with periodic reporting requirements set forth for Accountable Enterprises;
- ▶ Law sets additional requirements for Issuers of Public Securities, which safeguards the protection of investors and simplifies the exercise of their rights. Issuers are obliged ensure the equal treatment of investors and instantly notify them if the terms of the issue are modified.
- ▶ Major changes are made in respect with regulations on Insider Trading and Market Manipulation. Law clearly defines the content of each term and cites the actions that are considered to be in violation of the law. The scope of the application of these regulation is also significantly widened;
- ▶ Law adds a new chapter to the existing edition regulating the annulment of the status of Accountable Enterprise for specific categories of companies;
- ▶ Changes to the Law became effective upon its publication.

Source and date of publication: The Legislative Herald of Georgia; 29.06.2020.

Practice areas

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