

LAW OF GEORGIA
ON ELECTRONIC COMMERCE

Chapter I – General Provisions

Article 1 – Scope and purpose of the Law

1. This Law regulates legal relations related to electronic commerce.
2. For the purposes of this Law, electronic commerce entails the provision of commercial services over the internet.
3. The purpose of this Law is to promote the proper functioning of the internal market through the free movement of commercial services over the internet, to protect the rights of customers in the process of electronic commerce, to determine the rights and obligations of providers of intermediation services and to protect them from being obliged to monitor such services.
4. This Law shall apply to entrepreneurs registered in Georgia in compliance with the Law of Georgia on Entrepreneurs and to branches of foreign companies.
5. This Law shall not apply to:
 - a) the protection of the interests of a party or their representative in court;
 - b) issues provided for by the Tax Code of Georgia and the Customs Code of Georgia;
 - c) registering immovable property rights in the Public Registry;
 - d) registering a right for which a special form is provided for by the legislation of Georgia;
 - e) notarial activities;
 - f) gambling businesses, including a permit holder for the organisation of games of chance and/or prize games (except for a permit holder for the organisation of promotional games, if a permit for organising the promotional games is not issued to the organiser of the games of chance and/or prize games) and a permit holder for the provision of games of chance and/or prize games;
 - g) TV or radio broadcasting services;
 - h) services rendered by means of voice communication (including telegraph, telefax and telex);
 - i) the exchange of information not related to their commercial activities among persons through e-mail or other similar means of individual communication;
 - j) matters under the scope of regulation of the National Bank of Georgia;
 - k) activities carried out by an administrative body within the scope of its public legal authority.
6. This Law (except for Articles 11 and 14) shall not apply to relations connected to the provision of electronic communication services by a provider of electronic communication services in accordance with the Law of Georgia on Electronic Communications.



Article 2 – Definition of terms

For the purposes of this Law, the terms used herein shall have the following meanings:

- a) commercial services over the internet – the provision of services remotely, through electronic means, in exchange for remuneration, at the individual request of a recipient of a service;
 - a.a) the provision of services remotely – the provision of services through electronic means with the simultaneous absence of the parties;
 - a.b) electronic means - electronic equipment used for processing (digital compression etc.) and storage of data and for the delivery and reception of services to their destination using wire (including optical cable), radio waves or other electromagnetic means;
 - a.c) the provision of services at the individual request of a recipient of a service – the provision of services through electronic means at the request of a recipient of a service;
- b) commercial communication - offering goods and/or services through electronic means or providing notifications that directly or indirectly promote goods, services and/or natural or legal persons;
- c) service provider - a natural or legal person that provides commercial services over the internet;
- d) recipient of a service:
 - d.a) a natural or legal person that uses commercial services over the internet for professional or other purposes (including the search for information or access to information);
 - d.b) a natural person acting beyond the scope of their business activities or entrepreneurial or professional activities for private purposes;
- e) order - a request submitted by a recipient of a service to a service provider for the purchase or provision of goods and/or services;
- f) individual means of communication – an electronic communication system that establishes individual connections between parties and the exchange/sharing of information/notifications;
- g) provision of intermediation services – the provision of the following specific commercial services over the internet:
 - g.a) the conveying of information - passing on information via communications networks or enabling access to communications networks;
 - g.b) caching - the automatic, intermediate and temporary storage of information by communications networks through which that information is disseminated efficiently on the internet;
 - g.c) hosting - the allocation of space to publish information to the server;
- h) electronic contract - a contract concluded by electronic means for the purposes of this Law;
- i) Agency - the Legal Entity under Public Law called the Georgian Competition and Consumer Agency;
- j) actual knowledge - knowledge about an illegal act or possible unlawfulness that is obtained on the basis of a decision made by a court or a relevant administrative or law enforcement authority authorised by the legislation of Georgia;
- k) applicant - a person who applies to the Agency about a violation/alleged violation of the rights of a recipient of a service, regardless of any direct prejudice to the interests of that person.

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Article 3 – Provision of commercial services over the internet

1. The provision of commercial services over the internet is not subject to licensing, obtaining a permit and/or authorisation.
2. Paragraph 1 of this article shall not apply to activities subject to licence, permit and authorisation regimes determined by the Law of Georgia on Licences and Permits and other legislative acts of Georgia.

Article 4 – Obligation to provide information

1. A service provider shall ensure that at least the following information about the service provider is permanently and easily accessible for a recipient of a service:
 - a) the company name and legal form;
 - b) the address;
 - c) an e-mail address and other contact information;
 - d) the relevant identification number/personal number registered at the Registry of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities;
 - e) a licence and/or permit certificate number/data on registration of licences and/or permits, the term of validity thereof and the name of the issuing body (if any).
2. Service fees shall be determined clearly and comprehensibly and shall contain detailed information on all expenses incurred, including delivery fees and other taxes provided for by the legislation of Georgia.
3. A service provider shall be responsible for the accuracy and availability of the information provided for by this article.
4. If the legislation of Georgia establishes a higher standard for the provision of information on the activities of a service provider, which go beyond the activities of the service provider, the requirements provided for by this article shall not release them from the obligation to provide the relevant information.

Article 5 – Commercial communication

1. A service provider shall ensure the compliance of commercial communication with the following requirements as an integral part of providing commercial services over the internet :
 - a) commercial communication shall be clearly identifiable;
 - b) a natural or legal person, in whose name a commercial communication is sent, shall be explicitly identifiable;
 - c) discounts, special offers, gifts and/or conditions which determine benefits shall be easily available and understandable;
 - d) promotional games or competitions shall be clearly identifiable and the conditions for participation shall be easily available and understandable.
2. Article 8 of the Law of Georgia on Personal Data Protection shall apply to undesirable commercial communication.
3. If the legislation of Georgia establishes a higher standard for the provision of information on the activities of a service provider, which go beyond the activities of the service provider, the requirements provided for by this article shall not release them from the obligation to provide the relevant information.



Article 6 – Personal data protection in the process of electronic commerce

1. A party to electronic commerce shall protect personal data.
2. The personal data of a party to electronic commerce shall be processed in accordance with the Law of Georgia on Personal Data Protection.
3. Any liabilities imposed in the case of a violation of the requirements of this article shall be determined by Chapter VII of the Law of Georgia on Personal Data Protection.

Chapter III – Electronic Contract

Article 7 – Electronic contract

When an electronic contract requires authentication by signature, it shall be concluded in compliance with the legislation of Georgia.

Article 8 – Information necessary for concluding electronic contract

1. A service provider, before concluding an electronic contract, shall ensure the provision of the following information to a recipient of a service clearly, comprehensibly and understandably, regarding:
 - a) all technical steps necessary for concluding the contract;
 - b) the conditions for storing contracts by electronic means and access thereto;
 - c) the languages available for concluding the contract;
 - d) the technical means for identifying and correcting errors made before placing the final order.
2. Parties to an electronic contract, in particular a service provider and a recipient of a service, if they are not persons as determined by article 2(d.b) of this Law, shall have the right to agree on a procedure other than the one determined by paragraph 1 of this article.
3. Paragraphs 1 and 2 of this article shall not apply to contracts concluded by e-mail or other similar individual means of communication.
4. A recipient of a service shall be enabled to store and/or use information (including a contract) provided to him/her in electronic form.

Article 9 – Order

1. If a recipient of a service places an order by electronic means, a service provider shall immediately confirm the receipt of the order by electronic means as well.
2. An order or a confirmation of the receipt of an order shall be considered accepted if it is actually available to a recipient party.
3. A service provider shall provide a recipient of a service with the relevant necessary technical means to identify and correct errors before the final placement of an order.



4. Parties to a transaction as referred to in paragraphs 1-3 of this article, in particular a service provider and a recipient of a service, if they are not persons determined by article 2(d.b) of this Law, shall have the right to agree on a procedure other than those determined by paragraphs 1-3 of this article.

5. Paragraphs 1-3 of this article shall not apply to contracts concluded by e-mail or other similar individual means of communication.

Chapter IV – Language for Provision of Information

Article 10 – Language for provision of information

A service provider shall ensure the provision of information determined by Chapters II and III of this Law in the official language of Georgia. In addition, he/she/it shall have the right to provide this information in other languages.

Chapter V – Responsibility of the provider of intermediation services

Article 11 – Convey information

1. When conveying the information of a recipient of a service via a communications network or ensuring access to a communications network, a provider of intermediation services shall not be responsible for that information if:

- a) he/she/it did not initiate the conveying of the information;
- b) he/she/it did not choose the recipient of the conveyed information;
- c) he/she/it did not choose or change the content of the conveyed information.

2. Conveying information via a communications network and ensuring access to a communications network as referred to in paragraph 1 of this article involves the automatic, intermediate and temporary storage of information to be conveyed. Such information shall not be stored longer than is technically required to ensure its transmission.

3. In the case of a violation of law, the provisions of this article shall not limit a court or a duly authorised relevant administrative or law enforcement authority from acting within the scope of its powers as granted by the legislation of Georgia.

Article 12 – Caching

1. When conveying information by a communications network, if that information is stored to provide it efficiently and rapidly to other recipients of a service, a provider of intermediation services shall not be responsible for the automatic, intermediate and temporary storage of information or its content, provided that provider of intermediation services:

- a) does not change information;
- b) does not violate conditions for ensuring the availability of information;
- c) observes the procedure for updating information in accordance with the widely applied and universally recognised practice in the industry;
- d) does not interfere with the lawful application of widely recognised and universally used technology in the industry to obtain data on the usage of information;



e) deletes the stored information immediately and/or limits its availability after becoming aware that at the primary source, the information was removed (deleted) from the network, or its availability has been limited, or the court or a duly authorised relevant administrative or law enforcement authority acted within the scope of its powers granted by the legislation of Georgia to prevent a violation of the law.

2. In the case of a violation of law, the provisions of this article shall not limit the court or a duly authorised relevant administrative or law enforcement authority from acting within the scope of its powers as granted by the legislation of Georgia.

Article 13 – Hosting

1. When storing the information of a recipient of a service, a provider of intermediation services shall not be responsible for the stored information if one of the following conditions is met:

a) he/she/it does not have actual knowledge of any illegal activity or information, or in the case of filing a claim for compensation for damage incurred, he/she/it is not familiar with the facts or circumstances that indicate the existence of any illegal activity or information;

b) on acquiring actual knowledge of any illegal activity or information, he/she/it immediately removes the illegal information or limits its availability.

2. The requirements of paragraph 1 of this article shall not apply when a recipient of intermediation services acts on behalf of a service provider or a recipient of intermediation services is managed by a service provider.

3. In the case of a violation of law, the provisions of this article shall not limit a court or a duly authorised relevant administrative or law enforcement authority from acting within the scope of its powers as granted by the legislation of Georgia.

Article 14 – Absence of monitoring obligation

1. It shall be prohibited to impose an obligation on a provider of intermediation services as defined by Articles 11 and 13 of this Law to monitor the information conveyed or stored by him/her/it or take active steps to detect illegal activities.

2. To identify, prevent and avoid illegal actions, a provider of intermediation services may be requested by a court or a duly authorised relevant administrative or law enforcement authority to provide identification information or other types of information on the recipient of a service with whom he/she/it has concluded an agreement on the storage of information.

Chapter VI – State Regulation, Control and Responsibility

Article 15 – Mechanisms for the protection of the rights of a recipient of a service

1. If a service provider does not fulfil the obligations provided for by Article 4 and Article 5(1) and violates Articles 8-10 of this Law, a recipient of a service has the right to apply to the Agency

2. The existence of the rights provided for by paragraph 1 of this article shall not deprive a recipient of a service of the right to apply to a court or for arbitration and/or to resolve a dispute through mediation.

Article 16 – Powers of the Agency in the protection of the rights of a recipient of a service

1. In the territory of Georgia, the protection of the rights and lawful interests of a recipient of a service as determined by this Law, the prevention of a violation of his/her/its rights and the promotion of restoration of such violated rights, the detection of the facts of a violation of the rights of a recipient of a service, and ensuring an adequate response to any violations as provided for by law,



shall be carried out by the Agency.

2. To exercise the powers granted by the legislation of Georgia, the Agency shall:

- a) examine the fact of an alleged violation of the rights of a recipient of a service as determined by this Law, which resulted in or may result in a violation of the rights of a group of recipients of a service;
- b) examine a case, request information (including confidential information) from an applicant and/or a service provider which is required for exercising its powers;
- c) in the case of a failure to receive information concerning a case, be authorised to submit a motion to a court on the submission of the relevant information related to the case by a service provider;
- d) invite a party/interested person to receive explanations;
- e) hold a consultation meeting, if necessary, with representatives of state agencies, experts and/or other persons;
- f) prepare recommendations on the measures to be implemented in order to improve a situation concerning the protection of the rights of recipients of a service;
- g) in the case of the detection of a fact of violation of the rights of a recipient of a service as a result of an investigation of a case, determine reasonable time frames for a service provider to restore the violated rights and/or order him/her/it to terminate the activities that are considered as violations and/or actions prohibited under this Law within a specified period;
- h) impose a fine if a service provider fails to fulfil or improperly fulfils a decision of the Agency within the time frame determined by the Agency as a result of the investigation of a case;
- i) be authorised to appoint an expert to examine a violation, if necessary;
- j) monitor the implementation of the decisions made by the Agency;
- k) record and analyse statistical data on the facts related to a violation of the rights of a recipient of a service;
- l) carry out measures to raise public awareness on issues related to the rights of a recipient of a service;
- m) cooperate with representatives of state and local governments, international organisations and civil society regarding issues related to the protection of the rights of a recipient of a service.

Article 17 – Grounds for commencement of an investigation by the Agency of facts of an alleged violation of the rights of a recipient of a service

1. An applicant has the right to submit to the Agency an application on an alleged violation of the rights of a recipient of a service.
2. The Agency shall commence an investigation of the fact of an alleged violation of the rights of a recipient of a service if it has information that the rights of a group of recipients of a service are or may be violated as a result of the actions of a particular person/persons.
3. Grounds for the commencement of an investigation by the Agency of a fact of alleged violation of the rights of a recipient of a service shall be a reasonable belief that a violation of the requirements of this Law harms or may harm the interests of a group of recipients of a service.

Article 18 – Time frame and procedure for the investigation of a case by the Agency

1. The Agency shall notify an applicant of the response to their application, the commencement of an investigation or the absence of grounds as provided for by Article 17(2)-(3) of this Law within 10 business days after an application on an alleged violation of the rights of a recipient of a service is submitted.



2. The Agency shall investigate a case within 1 month after a decision on the commencement of an investigation is made.
3. The investigation of a case, in consideration of its significance and complexity, may be prolonged by no more than 3 months.
4. If additional information in connection with a case is requested and/or an examining expert is appointed, the time limits provided for by paragraph 1 of this article and/or determined for the investigation of a case shall be suspended for a term determined by the Agency.
5. The Agency shall provide relevant information to a service provider within 3 days after the decision on the commencement of an investigation is made and determine a period of at least 5 business days for them to submit their position on an alleged violation of the rights of a recipient of a service.
6. The Agency is authorised to invite a party/interested person to submit explanations and hold consultation meetings during the investigation of a case.
7. The Agency is authorised to make a decision on appointing an examining expert during the investigation of a case, if necessary, provided that it is impossible to make a reasoned decision regarding the case without an expert opinion. A service provider shall fully compensate the costs of the examining expert where a violation of the rights of a recipient of a service is detected.

Article 19 – Decision of the Agency

1. The Agency, as a result of an investigation of a case, shall make a decision to confirm or deny a violation of the rights of a group of recipients of a service within the time frame established by Article 18 of this Law.
2. Where a violation of the rights of a recipient of a service is confirmed, the Agency shall determine a time frame for a service provider and request that one or both of the following conditions are fulfilled:
 - a) the restoration of the violated rights;
 - b) the termination of illegal actions as provided for by this Law.
3. A decision made by the Agency as a result of an investigation of a case shall be sent to a service provider within 3 business days.
4. Within 5 business days after the time frames established by the Agency expire, a service provider shall provide the Agency with information on the restoration of the violated rights of a recipient of a service or on the measures carried out to terminate illegal actions as provided for by this Law.
5. If a service provider fails to fulfil or improperly fulfils the obligations in a decision made by the Agency within the time frames established by paragraph 2 of this article, the Agency shall impose a fine thereon in accordance with Article 20 of this Law.
6. A decision made by the Agency shall include:
 - a) the details of the service provider whose case has been investigated;
 - b) a description of the facts;
 - c) information obtained and processed by the Agency concerning the case;
 - d) the substantiated assessment of the Agency;
 - e) a reference to the elimination of the violation of the rights of a recipient of a service by a service provider, the restoration of the violated rights and/or measures to be carried out to terminate illegal actions as provided for by this Law, as well as the relevant time frames.
7. The Agency shall publish the full text of a decision on its official website, including the justification, except for confidential information as provided for by the law, within 3 business days after making the decision.
8. The Agency shall develop and approve a relevant normative act on rules and procedures for the investigation of a case by the



Agency.

Article 20 – Fine

1. If a service provider fails to fulfil or improperly fulfils a decision made by the Agency within the time frames determined by the Agency, a fine shall be imposed thereon. The amount of the fine shall not exceed 2 per cent of the annual turnover of the service provider for the previous financial year.
2. If it is impossible to calculate the annual turnover for the previous financial year due to the date of the foundation of the service provider subject to the fine, the amount of the fine shall be determined by calculating the annual turnover during the period between the foundation of the service provider and the imposition of the fine.
3. When determining the amount of the fine, the nature, gravity and duration of the violation shall be taken into consideration.
4. In the case of the commission of the same violation within 12 months, a fine of double the amount of the previous fine shall be imposed on the service provider.
5. The imposition of a fine shall not release a service provider from the obligation to fulfil the requirements of a decision made by the Agency.
6. A service provider shall pay the fine within 1 month after its imposition.
7. The fine shall be paid into the State Budget of Georgia.
8. In the case of failure to pay a fine, it shall be referred for immediate enforcement in accordance with the procedure provided for by the legislation of Georgia.

Article 21 – Appealing a decision of the Agency

1. A decision of the Agency can be appealed within 1 month after official access thereto in accordance with the procedure provided for by the legislation of Georgia.
2. Appealing a decision of the Agency on detecting the fact of a violation of the rights of a recipient of a service shall not prevent the Agency from exercising the powers provided for by Article 19(5) of this Law and the right to impose a respective fine on a service provider.

Article 22 – Time limits for applying to the Agency

1. The time limits for applying to the Agency on a violation of the requirements of this Law shall be not more than 2 years after the violation was committed.
2. The commencement of an investigation of a case by the Agency shall serve as grounds for the suspension of the time limits provided for by paragraph 1 of this article.

Article 23 – Annual report

The Agency shall submit to the Government of Georgia a report on the activities carried out in the area of electronic commerce annually, no later than 1 May. This report is public and shall be published on the official website of the Agency.



Article 24 – Transitional provision

The Agency shall develop and approve a relevant normative act on the rules and procedures for the investigation of a case by the Agency within 6 months after the entry of this article into force.

Article 25 – Entry into force of the Law

1. This Law, except for Articles 4-23 of this Law, shall enter into force upon its promulgation.
2. Articles 4-23 of this Law shall enter into force 190 days after its promulgation.

President of Georgia

Salome Zourabichvili

Tbilisi

13 June 2023

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