



Gia Getsadze

## Georgia's Legislative Reform Opens the Door to New Investments

A conversation with the senior partner of the Getsadze & Pateishvili law firm sheds light on Georgia's new tax code and emerging business opportunities

Daniel Fisher

**G**ia Getsadze is highly optimistic about Georgia's economic prospects. His insights are based on his considerable legal expertise and first-hand involvement in Georgia's national development. Getsadze was born in 1968 in Georgia and graduated from Tbilisi State University in 1995. He was one of the founders of the Georgian Young Lawyers' Association. From 1995 to 2000, he worked in various state agencies, and from 2001 to 2003 he was senior legal advisor and later led IRIS Georgia (the USAID Rule of Law Project). After the Rose Revolution in 2003, he was appointed the first Deputy Minister of Justice. He has held varied positions in the Georgian government, and in 2005, he left state service and established the law firm Getsadze & Pateishvili LP.

### What makes Georgia attractive to investors, and to overseas investors in particular?

Georgia has always attracted foreign countries due to its geo-political location. For many years, foreign companies have been working to gain their share of the Georgian market in different spheres. This interest has become more pronounced since Georgia became independent in 1991, and the trend has been even stronger since the 2003 Rose Revolution. The current government has made significant steps towards opening its doors even wider to foreign investments, for the benefit of the country's economy as well as the investors. The many small and large new businesses initiated in recent years have made an important contribution to the Georgian economy.

### How have investment laws changed?

Since the Rose Revolution, many aspects of the law have been amended or completely overhauled. It is very important to note that a new and more liberal tax code has been adopted, which clarifies and simplifies the regulations for businesspeople. Some taxes have been completely abolished and others decreased, thus creating greater

incentives to initiate business ventures in Georgia. The new tax code is being further reviewed by Parliament to make it even more flexible and liberal.

Major steps have been taken in fighting corruption. The National Anti-corruption Strategy and Action Plan had been introduced, and the government is advancing its thorough implementation. The government's will also encourage a range of companies to enter the Georgian market.

It is also significant to note that Georgia is working toward joining NATO, which will help to reduce business risks.

### What is the nature of your clients' businesses?

The Getsadze & Pateishvili law firm works with local and foreign companies. At present, the firm does not represent individuals. Our firm is proud of our long-term relationships with all the companies we represent. Our clients are leaders in a number of key business areas in Georgia: Gas stations; importers of natural and liquified gas; communications companies; beer and beverage production; shipping firms; construction companies and hotels and casinos.

### Is your client list growing?

Our client list is not growing rapidly because we focus on specific spheres of activities. Our key interest is maintaining close and high-quality relationships with our existing clients, rather than seeking larger numbers of clients.

### What are the most promising areas for investment in Georgia?

At the moment, the investment climate is very positive in Georgia in every area. Compared to Western European countries, varied spheres of the Georgian market are still ripe for investment. To mention only a few: Tourism is a very good field. As you may realize, Georgia's topography is very interesting, in terms of both mountainous and coastal regions. There is a great deal of potential for developing

recreational travel for skiers, hikers and divers, as well as sightseeing and other forms of tourism.

Real estate and construction are also well worth a close look. New construction has been initiated very recently, and the need for new technologies is clear. Other areas that merit consideration are agriculture and energy, since Georgia is rich in water resources.

### How would you describe your company profile?

The Getsadze & Pateishvili Limited Partnership is an independent Georgian law firm in Tbilisi. The legal offices of Getsadze & Pateishvili are the successor of the LTD Partner law firm. LTD Partner was established by the merger of two leading Georgian law firms in 2004. Due to changes in Georgian law, it became the Getsadze & Pateishvili Limited Partnership.

Today the firm is well known in Georgia and abroad. Our attorneys have extensive experience in government and the private sector. We are actively involved in drafting and implementing legislation, and participated in the development of legislation which drastically changed the communist period laws. We are involved in fields including Georgia's constitution, constitutional law, and laws in areas from political parties and entrepreneurship to the common courts, bankruptcy, the general administrative code and the administrative procedures code.

Our clients utilize our legal services in a range of areas, including: civil law, employment law, intellectual property, privatization, insurance, taxation and constitutional law.

### What tips can you share with potential investors in the Georgian market?

My only advice is to enter the Georgian market as soon as possible. Many companies are currently investing in Georgia, and it won't be long before it will be difficult to make headway in a highly competitive market.

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