

# GMS Flash Alert

## Immigration Edition

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# Georgia - New Labour Migration Rules Enter into Force 1 September

Starting 1 September 2023, amendments to Georgia's labour migration rules enter into force.

Approved in May 2023, the amendments are designed to affect the migration of labour to Georgia, by providing for, among other things, rules around intermediary companies and the establishment of a modernised migration recording system.<sup>1</sup>

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## WHY THIS MATTERS

The amendments should help streamline and clarify employers' responsibilities and action steps around bringing migrant workers/foreign national employees into Georgia.

Fines may be imposed in the event of non-compliance.

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## Key Aspects of the Amendments

According to the explanatory note of the draft law, the mentioned amendments aim to :

- eliminate threats arising from labour arrangements in Georgia and abroad, including labour migrant trafficking, monetary losses, fraud, and violations of employee rights;
- encourage and support the activities of "honest" intermediary companies by legalising their activities through the establishment of an effective state monitoring system;

- improve the migrant recording system and regulate the labour migration process with relevant monitoring mechanisms;
- establish efficient regulatory mechanisms for labour immigration tailored to the economy.

The amendments introduced a new regulated entity – the “intermediary company.” An intermediary company is an entity whose activities are related to employment arrangements and/or assistance in employment arrangements outside of Georgia for Georgian citizens or foreign nationals having Georgian permanent residence permits. Intermediary entities that carry out labour-arrangement-related services outside of Georgia will need to register in the registry of economic activities and obtain certification from the relevant ministry.

One of the key areas of change under the amendments relates to registration of foreign employees by Georgian employers. Before the amendments, local employers had an obligation to report (in pre-defined format) all new foreign employees. However, no special reporting system or liability regime for breach of reporting obligations was determined. As per the amendments, local employers shall register all foreign employees (who do not have a Georgian permanent residence permit) in the online system created by the Ministry of IDPs from the occupied territories of Georgia, Labour, Health, and Social Protection.

The ministry is to notify the relevant residence permit or visa issuance authority in Georgia on the termination of the registration of the foreign national in the registry. Therefore, the registration of the foreign employee in the system may impact the decision of state authorities in regards to the issuance, prolongation, or revocation of that individual’s employment residence permit or immigration visa.

The amendments introduced new penalty regimes for violations of various provisions of the country’s labour immigration regulations. Among others, the notable changes relate to breach of the foreign employee registration rules. In such case, the employer may incur a GEL 1,000 fine, which may be doubled in case of repeated violation. In case further repeated violations occur, the penalty amount will be doubled in each case.

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## KPMG INSIGHTS

Every local employer that employs foreign citizens and falls under the regulation of the law has an obligation to report the foreign employees (hired before 1 September 2023) to the ministry no later than 1 November 2023.

Given the considerable changes in procedures and policies relating to labour migration, employers may wish to consult with their qualified immigration counsel or a member of the KPMG Immigration team with KPMG in Georgia (see the Contacts section).

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## FOOTNOTE:

1 See (in Georgian): [„შრომითი მიგრაციის შესახებ“ საქართველოს კანონში ცვლილების შეტანის თაობაზე](#) .

## RELATED RESORCE:

This article is excerpted, with permission, from “[New Labor Migration Rules](#),” an online publication of the KPMG International member firm in Georgia.

## Contact us

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