

## **Rules on Establishment, Arrangement and Operation of Free Industrial Zone**

### **Article 1. General Provisions**

This resolution defines the rules related to establishment, arrangement and operation of free industrial zone (hereinafter - FIZ) on the private property land holdings on the Georgian territory on the basis of the request of resident as well as non-resident natural and legal persons.

### **Article 2. Authorizations related to the request on establishment of FIZ and adoption of decision**

1. The Ministry of Economic Development of Georgia shall bear the responsibility for drafting the decision on establishment of the FIZ.
2. FIZ may be established on the request of resident as well as non-resident natural and legal persons (hereinafter - organizer) on the owned and/or co-owned and/or leased land holding.
3. The land holding determined for FIZ shall be the land plot of single outline with the area exceeding 10 hectares.
4. The decision on establishment of the FIZ shall be made by the Government of Georgia by issuing the resolution of the Government of Georgia.
5. No FIZ may be established on the protected areas defined by the Georgian legislation.
6. The Ministry of Economic Development of Georgia shall maintain the unified intraagency register of FIZs established in Georgia.
7. The form of unified intraagency FIZ register as well as the rules of its maintenance shall be laid down by the Order of the Minister of Economic Development of Georgia.

### **Article 3. Establishment of the FIZ on the request of organizer**

1. For the purpose of establishment of the FIZ the organizer shall place the application stating the initiative to establish the FIZ to the Government of Georgia.
2. The application shall state the period of operation of the FIZ.
3. In case of leased FIZ land holding the period of operation of the FIZ shall not exceed the term of lease.
4. The application shall be accompanied by:
  - a. In case of a natural person - the data of the personal identification card;
  - b. In case of a legal person - company name, tax registration data (date, information about the person(s) authorized on representation), information of the beneficiaries owning a share of more than 10%;
  - c. Topographic plan in a 1 : 5 000 or larger scale model depicting the land plots adjacent to the FIZ land holding, existing buildings and facilities, underground and surface communications, other units as well as their purpose;
  - d. Public register reference certifying the proprietary right of the FIZ land holding as well as cadastre map;
  - e. In case of co-ownership of the land holding, the notarized agreement of co-owners, and in case of lease of land holding - notarized agreement of the owner of land plot on establishment of FIZ on the land holding under his/her possession.
  - f. FIZ arrangement and development concept;
  - g. In cases being referred to in paragraphs 7 and 8 of Article 7 of these Rules - draft charter FIZ in compliance with the conditions defined in Article 7 of these Rules;
  - h. Bank guarantee in amount as defined by the Resolution of the Government of Georgia on "Amount of guarantee to be placed for establishment of free zone, rules on establishment conditions of free zone, its operation, storage of goods and customs control";
  - i. Documented evidences verifying compliance with the conditions defined by the Georgian legislation for establishment of FIZ or written obligation assumed by the organization on meeting the requirements defined by Georgian legislation for establishment of FIZ within due terms;
  - j. Other information and documents at the discretion of organizer;
5. Affiliate or structural subdivision of the legal entity shall not be entitled to submit the application on FIZ establishment (except permanent establishment of non-resident person).
6. Ministry of Economic Development of Georgia shall be responsible for:
  - a. Review the FIZ establishment application;

- b. In case the documents submitted by organizer are not in compliance with the requirements defined by the legislation and these rules, notify the organizer on defects and define reasonable deadlines for their improvement. In such case the review time of the application shall be started from the date of submission of proper set of documents;
- c. Prepare the decision of reasonableness of FIZ establishment within 30 days following the receiving of a proper application submitted by the organizer on FIZ establishment. In case of rejection the Ministry of Economic Development of Georgia shall submit justified rejection;
- d. In case the organizer submits the FIZ charter, review the draft charter and state in the decision referred to in subparagraph “c” of this paragraph whether the FIZ draft charter is in compliance with the Georgian legislation;
- e. In case of positive decision on FIZ establishment prepare the draft contract between the organizer and the Government of Georgia on mutual obligations and present it to the Government of Georgia for review;
- f. In case of positive decision on FIZ establishment prepare the draft resolution of Government of Georgia on FIZ establishment;
- g. Keep confidentiality of information contained in the submitted application as well as in accompanying documents;
- h. In case of positive decision on FIZ establishment request the following from organizer:
  - i. Submission of situational plan (drawing) of FIZ arrangement;
  - ii. Situational plan (drawing) of customs check-points located at the entrances and exits of the FIZ in accordance with the instruction given by the Revenue Service of the Ministry of Finance showing infrastructure necessary for carrying out customs, state sanitary-quarantine, state veterinary border-quarantine, state phyto-sanitary border-quarantine and other types of state control as defined by the legislation as well as situational plan of mounting of special equipment-gadgets.
  - iii. The organizer’s obligation to create a FIZ shall be secured by a bank guarantee in amount of 10 percent of the guarantee envisaged by the Governmental Resolution on the Amount of the Guarantee to Be Submitted in Relation with the Creation of a Free Zone, the Terms and Conditions of Creation of a Free Zone, the Procedure of Their Operation, Storage of Goods and Customs Control, the beneficiary of which guarantee shall be the Ministry of Economic Development of Georgia and the validity period of which shall commence not later than 15 days after the entry into force of the Resolution of the Government of Georgia and shall be valid starting from the very first day of commencement of operation of a FIZ. (27.06.2008 N142)
- i. Agreement with Revenue Service of the Ministry of Finance of Georgia the part of FIZ arrangement plan requirements of which are defined by the resolution of the Government of Georgia on “Amount of guarantee to be placed for establishment of free zone, rules on establishment conditions of free zone, its operation, storage of goods and customs control”.
- j. The state shall participate only in funding of the direct financial costs of reasonable amount, related to building of a highway to the borders of a FIZ, to what end the following shall be required: (27.06.2008 N142)
  - i) The existence of the respective of the organizer and consent of the Government;
  - ii) The organizer shall be required to agree the documentation of construction design for building the highway infrastructure to the borders of a TIZ with the Ministry of Economic Development.
- k. The Government shall not fund more than 50 percent of direct financial costs of reasonable amount envisaged by the documentation of the construction design for building the highway infrastructure to the borders of a TIZ, as agreed with the Ministry of Economic Development of Georgia. (27.06.2008 N142)
- l. The organizer shall be required to submit the bank guarantee for securing the obligations related to the building of the road infrastructure to the borders of a FIZ, except for the cases, envisaged by Paragraph 10 of this Article. (27.06.2008 N142)
- m. The submission of the bank guarantee envisaged by Paragraph 9 of this Article shall not be required if:
  - i) The organizer itself funds the full amount of direct financial costs of reasonable amount envisaged by the documentation of the construction design for building the highway infrastructure to the borders of a TIZ, as agreed with the Ministry of Economic Development of Georgia and compensates the part of the aforementioned costs – in

- pre-agreed amount – to the state organizer within the amount envisaged by Paragraph 8 of this Article;
- ii) The Organizer and the Ministry of Economic Development of Georgia have come an agreement that the direct financial costs of reasonable amount envisaged by the documentation of the construction design for building the highway infrastructure to the borders of a TIZ, as agreed with the Ministry of Economic Development of Georgia will be first funded by organizer and the remaining part – by the state within the amount envisaged by Paragraph 8 of this Article.
- n. In cases, envisaged by Paragraph 10 (ii) of this Article the state shall fund its part of the costs of building of the highway infrastructure to the borders of a TIZ only when the performance of the obligations related to the development of the highway infrastructure, mentioned in this Paragraph by the Organizer is confirmed. (27.06.2008 N142)
  - o. The amount of the bank guarantee, envisaged by Paragraph 9 of this Article shall be equal to direct financial costs of reasonable amount envisaged by the documentation of the construction design for building the highway infrastructure to the borders of a TIZ, as agreed with the Ministry of Economic Development of Georgia, which amount shall be allocated by the Ministry of Economic Development and shall be valid for the whole period of conduct of the aforementioned works. (27.06.2008 N142)
  - p. The bank guarantees, envisaged by Paragraph 6 (h (iii)) of Article 3 and Paragraph 9 of this Article, should contain the following data: (27.06.2008 N142)
    - i) Full name and legal address of a guarantor;
    - ii) Full name, legal address and the identification code of the principal;
    - iii) Beneficiary;
    - iv) The object of the guarantee and the obligation of the guarantor;
    - v) The area covered by the guarantee;
    - vi) The guarantee amount and the validity period;
    - vii) Confirmation, that a guarantor assumes an irrevocable obligation to pay any amount to the beneficiary not exceeding the guarantee amount upon a written request of the latter without any waiver or the right to appeal.
  - q. In the case of Organizer’s default with the obligations, related to the conduct of works for building the highway infrastructure to the borders of a FIT the Ministry of Economic Development shall realize the guarantee in favor of the state in amount established by the Ministry and commensurate with the procedure envisaged by the Chapter 5 of the Governmental Resolution on the Amount of the Guarantee to Be Submitted in Relation with the Creation of a Free Zone, the Terms and Conditions of Creation of a Free Zone, the Procedure of Their Operation, Storage of Goods and Customs Control, (27.06.2008 N142)
  - r. In the case of Organizer’s default with the obligations, related to the arrangement of a FIZ the Ministry of Economic Development shall realize the guarantee in favor of the state in amount established by the Ministry and commensurate with the procedure envisaged by the Chapter 5 of the Governmental Resolution on the Amount of the Guarantee to Be Submitted in Relation with the Creation of a Free Zone, the Terms and Conditions of Creation of a Free Zone, the Procedure of Their Operation, Storage of Goods and Customs Control, (27.06.2008 N142)

#### **Article 4. Start and termination of FIZ operation**

1. FIZ operation may start only after:

- a. a) Revenue Service physically checks and verifies FIZ compliance with the requirements defined by the resolution of the Government of Georgia on “Amount of guarantee to be placed for establishment of free zone, rules on establishment conditions of free zone, its operation, storage of goods and customs control”
- b. b) Guarantee is placed satisfying the requirements defined by the resolution of the Government of Georgia on “Amount of guarantee to be placed for establishment of free zone, rules on establishment conditions of free zone, its operation, storage of goods and customs control”; also in cases envisaged by Paragraph 9 of Article 3 – a bank guarantee, which shall be compatible with the requirements of Paragraphs 12 and 14 of Article 3; (27.06.2008 N142)
- c. c) FIZ entrances and exits for pedestrians are arranged in accordance with Georgian legislation.

2. In case the requirements defined by paragraph 1 of this Article are not met the organizer shall be given reasonable time to debug the irregularities.
3. In case the organizer wants to establish free warehouse in the FIZ, the warehouse shall comply with the conditions defined by the resolution of the Government of Georgia on “Technical and safety conditions of free warehouse” as well as other normative acts indicated in this resolution.
4. In case the organizer wants to establish free warehouse in the FIZ, the warehouse shall comply with the conditions defined by the resolution N 240 of 20 December 2006 of the Government of Georgia on “Adoption of instruction on rules related to determination of technical and safety conditions of customs warehouse and issuance of relevant permits” as well as other normative acts indicated in this resolution.
5. The rules related to storage of goods and customs control in the FIZ are defined by the resolution of the Government of Georgia on “Amount of guarantee to be placed for establishment of free zone, rules on establishment conditions of free zone, its operation, storage of goods and customs control”.
6. In case of violation of technical, organizational and other requirements defined for FIZ as well as addition of entrances-exits and/or buildings and facilities without prior agreement with the Ministry of Economic Development of Georgia during the operation period of the FIZ the issue of termination of FIZ activities shall arise and the organizer shall be given the reasonable time for correction of detected irregularities, otherwise the Government of Georgia shall submit petition to the court on liquidation of the FIZ on the basis of subparagraph “c” of paragraph 1 of article 9 of these rules.

**Article 5. State service and supervision in the FIZ**

2. Following form(s) of state service and/or supervision may be carried out for the purpose of FIZ operation:
  - a. Through the unified service/supervision authority - public law legal entity (PLLE) - FIZ agency (hereinafter - agency) existing based on the decision of the Government of Georgia in the FIZ concerned;
  - b. Through independent representative(s) of public authorities operating within the FIZ;
  - c. Through public authority(authorities) operating outside the FIZ;
3. The form of carrying out state service and/or supervision in the FIZ shall be defined by the resolution of the Government of Georgia separately for each FIZ.
4. Following public authorities or their representatives are authorized to carry out service/supervision of FIZ enterprises:
  - a. Revenue Service of Ministry of Finance of Georgia;
  - b. PLLE - Georgian Technical Supervision State Inspectorate;
  - c. United transport administration of Ministry of Economic Development of Georgia;
  - d. Environment Protection Inspectorate of Ministry of Environment Protection and Natural Resources of Georgia;
  - e. Ministry of Environment Protection and Natural Resources of Georgia;
  - f. PLLE - National Agency of Standards, Technical Regulations and Metrology of Georgia;
  - g. PLLE - Unified National Body of Accreditation - Accreditation Centre;
  - h. PLLE - Georgian National Investment Agency;
  - i. National Agency of food safety, veterinary and plant protection of Ministry of Agriculture of Georgia;
  - j. Other authorities or their representatives.
5. For cases referred to in subparagraphs “a” and/or “b” of paragraph 1 of this Article the organizer shall be obliged to provide an adequately equipped working area to the representatives of FIZ agency or representatives of independent public authorities operating within FIZ as well as reasonable area equipped with relevant equipment designed for examination of the goods and taking of samples.
6. Adequately equipped working area shall not exceed 15 square meters per one staff member of the agency (except support staff). The exact working area shall be defined by the contract on mutual obligations concluded between the organizer and Government of Georgia on FIZ establishment.
7. Enterprises registered in FIZ may be rendered different kind of services, among them:
  - a. Being registered as a taxpayer of the FIZ concerned in accordance with order of the Minister of Finance of Georgia on “Registration of an enterprise as a taxpayer of “Free Industrial Zone” and granting of status”;
  - b. Obtain the certificate of origin of goods in Georgia in form defined by the legislation;

- c. Have access to the information and consultation about the Georgian legislation and subordinated legislative acts related to their activities, international agreements of Georgia etc.;
  - d. Have access to the technical regulations, standards, and other regulatory norms necessary for their activities available at the relevant administrative authorities and be rendered the relevant consultations;
  - e. Metrology services (calibrating measuring equipment, submission of measures from templates etc.);
  - f. Accreditation of testing laboratories and authorities evaluating the compliance as well as consultations related to these activities;
  - g. Other kind of services related to economic activities within the FIZ.
8. FIZ enterprise shall obtain the license/permit depending of the type of activities subject to license/permit and within terms and under conditions defined by the legislation.
  9. License/permit for FIZ enterprise shall be issued through the agency.
  10. FIZ enterprises shall be relieved from obligation to obtain following licenses/permits:
    - a. License for production/packing of baby nutrition;
    - b. License for production/packing of nutrition for children;
    - c. License for electrical energy production;
    - d. License for electrical energy transfer;
    - e. License for electrical energy distribution;
    - f. License for natural gas distribution;
    - g. License for natural gas transportation;
    - h. Transit permit of goods subject to veterinary control;
    - i. Exploitation permit of dangerous industrial plants;
    - j. Permit for local city regular passenger traffic;
    - k. Permit for international cargo shipment from Georgian territory (above the quotas defined by the international agreements) carried out by the foreign carrier;
    - l. Permit for clinical analysis of pharmaceuticals;
    - m. Permit for pharmaceutical production (remedies, except for narcotics);
    - n. Permit for arrangement of I group pharmacy;
    - o. Permit for arrangement of II group pharmacy;
    - p. Permit for arrangement of pharmacy point;
    - q. Import permit of non-iodized salt;
  11. Rules related to issuing the construction permits within the FIZ is defined by the resolution N54 of 10 March 2008 of the Government of Georgia on “Adoption of simplified rules for issuing the construction permits within free industrial zone”.
  12. The organizer shall be responsible for keeping the safety regulations based on the requirements of paragraph 3 of article 14 of the Law of Georgia on “Free Industrial Zones” dated 3 July 2007.

**Article 6. FIZ service/supervision authority - FIZ agency**

1. FIZ agency shall be founded only upon wish and request of organizer.
2. FIZ agency is a public law legal person, which is founded on the basis of Ordinance of the President of Georgia in compliance with Law of Georgia on “Public law legal person”.
3. The head of the FIZ agency shall be appointed and dismissed by the public governing authority defined by Ordinance of the President of Georgia.
4. Charter of the agency, its staff list as well as controlling body of budget approving agency shall be laid down by the Ordinance of the President of Georgia.
5. FIZ agency shall be authorized to receive any income allowed for public law legal entity by legislation.
6. Agency shall render state services defined by the Georgian legislation to the enterprises registered within the FIZ, fees for which shall not exceed the amount of fee defined by Georgian legislation.
7. Besides the services envisaged by paragraph 6 of this article the amount of income for services rendered by the agency shall be predetermined on the basis of agreement between agency and organizer or administrator.
8. FIZ agency shall be obliged to make the information on its service fees available to everyone, and in case of change of the amount of fees notify FIZ enterprises as well as administrator on the changes at least one month in advance.

9. FIZ agency is operating with “single window” principle and renders its services to the enterprises registered in the FIZ only and ensures its services according to Georgian legislation, on the basis of terms and conditions of agency charter and/or contract signed with enterprises. Agency shall render its services to the enterprises registered in FIZ upon their request only.
10. FIZ agency carries out following activities:
  - a. On the basis of delegating the relevant authorization carries out registration of the FIZ enterprise as FIZ taxpayer in accordance with the conditions defined by Order N419 of the Minister of Finance of Georgia of 8 May on the Approval of the Instructions Related to the Procedure of State or/and Tax Registration of Taxpayers, State or/and Tax Registration of the Branches of Legal Entities. (27.06.2008 N142)
  - b. Renders the enterprises registered or wishing to be registered in the FIZ services defined by the legislation or contracts signed with these enterprises;
  - c. Ensures relations of the enterprises registered in FIZ to the public authorities as appropriate for FIZ activities;
  - d. Issues license and/or permit to the enterprise registered in the FIZ;
  - e. Based on delegating of the relevant authorization by the Ministry of Economic Development of Georgia issues the certificate of origin of goods in determined form;
  - f. Supervises compliance with FIZ safety rules;
  - g. Presents annual reports to the Ministry of Economic Development of Georgia on services rendered in the FIZ, submits the copy of the report to the organizer and ensures its availability to any person;
  - h. Carries out other rights and obligations permitted by Georgian legislation, subordinated normative acts and its provision.

#### **Article 7. FIZ management and operation**

1. FIZ shall be managed by the administrator, which may be the organizer itself or any resident or non-resident natural or legal person appointed by the organizer.
2. Organizer and/or administrator are not representing the FIZ enterprise and shall be registered on another Georgian territory (outside FIZ) in accordance with the rules defined by Georgian legislation.
3. In case the organizer is a non-resident legal person and the Government of Georgia adopts the positive decision on FIZ establishment, the organizer shall found permanent establishment in accordance with Georgian legislation.
4. In case referred to in subparagraph “g” of paragraph 4 of article 3 of these rules the organizer shall draft final version of FIZ charter and submit it to the Ministry of Economic Development of Georgia.
5. FIZ charter may regulate:
  - a. FIZ functions and obligations;
  - b. Requirements and conditions assuming and complying with which is obligation of enterprise registered in FIZ;
  - c. Rules of settlement of disputes arisen in FIZ;
  - d. Rules of making changes to the FIZ charter;
  - e. other issues defined by the law.
6. FIZ charter may permit carrying out of non-official administrative proceedings within FIZ in English.
7. FIZ organizer shall be authorized to define by the FIZ charter that the international arbitrary active in the FIZ reviews and adopts decision on the disputes, where the state does not represent one of the appellants.
8. The charter may also determine the review as well as adoption of decision on FIZ disputes to be made by the common court as well as arbitration, among them temporary private arbitration set up in the FIZ, other private arbitration including international arbitration.
9. The dispute settlement body referred to in paragraph 8 of this article shall be appointed by the FIZ enterprises on the basis of contracts signed between them. In case the dispute settlement rules are not laid down between two sides dispute review and resolution shall be implemented in compliance with the rules defined by Georgian legislation.
10. FIZ charter may regulate the rules referring making changes to the FIZ charter. It is permissible to regulate the rules on different parts and issues of the charter in different ways.

11. If the charter does not define the rules referring making changes to the charter, parts of the charter shall be determined, which:
  - a. are not subject to change;
  - b. are subject to change on initiative of organizer;
  - c. are subject to change in case of written consent of 75% of total number of FIZ enterprises.
12. In case the charter regulates the rules referring changes to the charter, the charter shall contain clear definition towards making changes to each single part of it.
13. Safe as otherwise provided by the charter the organizer shall notify in writing every enterprise registered in the FIZ on introducing changes to the charter referred to in subparagraph “b” of paragraph 11 of this article at least one year in advance. In this case the changes shall be put into effect after one year following notification of FIZ enterprises.
14. Safe as otherwise provided by the charter and contract, if the organizer implements the change defined by subparagraph “b” of paragraph 11 of this article, any enterprise registered in the FIZ assuming contractual obligations against the organizer, shall be relieved from their fulfillment without imposition of any penalties or fines and authorized to one-sided terminate the contracts signed with the organizer from the date of putting the charter changes into effect.
15. Safe as otherwise provided by the charter, if the organizer obtains the written consent of the majority referred to in subparagraph “c” of paragraph 11 of this article, the changes of the charter shall be put into effect in 3 month following their notification.
16. In case of change of FIZ land holding or owner of its part, provided that FIZ status is not withdrawn from FIZ land holding or its part, the organizer shall be obliged to notify in writing the Ministry of Economic Development and FIZ enterprises on alienation of the land holding or its part and the new owner.
17. In case of change of owner of FIZ land holding or its part, provided that FIZ status is not withdrawn, the organizer (or new owner) shall be obliged to submit the notarized consent of the new owner on existence of the FIZ on the land holding concerned to the Ministry of Economic Development of Georgia.
18. In case referred to in paragraph 16 of this article, if the FIZ organizer is changed, new organizer shall be obliged to act in accordance with these rules and obtain the permit on the FIZ establishment.
19. In case the new owner of the alienated land holding wants to abolish the FIZ status, the activities referring FIZ liquidation defined by article 9 of these rules shall be carried out.
20. In case of change of owner of FIZ land holding (or its part), if any person wants to establish the FIZ on the alienated land holding and land holding area exceeds 10 hectares, the applicant of the new FIZ establishment (new organizer) shall be obliged to carry out activities defined by these rules in order to obtain the FIZ status and gain the approval on FIZ establishment.
21. When alienating part of FIZ land holding, provided that the area of land holding where FIZ status will remain is less than 10 hectares, FIZ liquidation procedures defined by article 9 of these rules shall be carried out.
22. In case of termination of lease referred to in paragraph 2 of Article 2 of this rule, provided that lease contract was signed for only part of FIZ, FIZ status of the remaining (non-leased) part of the FIZ shall retain only in case if organizer ensures carrying out of activities for FIZ operation of the remaining land holding defined by these rules and obtains the approval of FIZ establishment.
23. In case the organizer wants to increase the area of FIZ land holding, s/he shall be obliged to notify the Ministry of Economic Development of Georgia at least 3 months in advance thereof and submit the plans referred to in subparagraph “c” of paragraph 4 and subparagraph “h” of paragraph 6 of article 3 of these rules to the same ministry indicating broadened FIZ border and satisfy all conditions defined for FIZ establishment and operation by these rules of the new FIZ territory.
24. In case broadening of the area of FIZ land holding is made on account of land holding in private possession of another person, the organizer shall attach the notarized consent of land holding owner on FIZ establishment on land holding in his/her possession to the notification referred to in paragraph 23 of this article.
25. FIZ administrator shall elaborate the development regulation plan of FIZ, which shall be adopted in agreement with the Ministry of Economic Development of Georgia.
26. The development regulation plan of FIZ shall comply with the requirements of law of Georgia on “Spatial arrangement and basics of urbanization” as well as its subordinated legislative acts.

## **Article 8. Prohibited and restricted activities in FIZ**

1. Following shall be prohibited in FIZ:
  - a. Use of buildings for living purposes and construction of capital and temporary buildings and facilities for living and hotel purposes;
  - b. Production and trade with weapons and military materials;
  - c. Production and trade with nuclear and radioactive materials;
  - d. Entry, storage, production and/or sale of narcotics and psychotropic means;
  - e. Entry, storage, production and/or sale of excise goods except for case referred to in paragraph 2 of article 12 of law of Georgia on “Free Industrial Zones” dated 3 July 2007.
2. Other prohibitions and restrictions defined by Georgian legislation are valid on FIZ territory.

## **Article 9. FIZ liquidation**

1. Following shall be the grounds for FIZ liquidation:
  - a. Expire of FIZ term;
  - b. Organiser’s application on FIZ liquidation;
  - c. Court decision on the basis of petition of Government of Georgia.
2. In case of intention to liquidate the FIZ before expire of FIZ status term the organizer shall notify in writing the Ministry of Economic Development of Georgia as well as every enterprise registered in FIZ about the intention to liquidate the FIZ at least one year in advance.
3. Safe as otherwise provided by the contract, in case referred to in paragraph 2 of this article any enterprise registered in the FIZ, assuming contractual obligations towards the organizer, shall be relieved from their fulfillment without imposition of any penalties or fines and authorized to one-sided terminate the contracts signed with the organizer from the date of FIZ liquidation.
4. Government of Georgia shall be authorized to place petition at the court on abolishment of FIZ status in case of non-fulfillment of assumed obligations by the organizer even in case there are no sanctions determined for such non-compliance by Georgian legislation or contract referred to in subparagraph “e” of paragraph 6 of article 3 of these rules.
5. Liquidation commission shall be set up in agreement between the organizer and Government of Georgia, which shall carry out the activities related to liquidation of FIZ, such as:
  - a. Prepare the decision on accounts payable/receivable of organizer and/or administrator towards Government of Georgia;
  - b. In coordination with administrative authorities ensure carrying out of other activities related to liquidation;
  - c. Submit the report to the Ministry of Economic Development of Georgia after accomplishment of liquidation procedures and draft the resolution of Government of Georgia on FIZ liquidation.
6. In the course of liquidation both the FIZ agency and administrator shall be obliged to coordinate the inventory of goods/material assets by the FIZ enterprises and their declaring in accordance with tax and customs legislation of Georgia.
7. Disputes referring FIZ liquidation shall be reviewed in accordance with the rules defined by Georgian legislation.