The Order N 1
of the Head of the Financial Monitoring Service of Georgia

On Approval of the Rule on Record-keeping, Storage and Reporting of the Information on the Transaction by Obliged Entity to the Financial Monitoring Service of Georgia

June 5, 2020, Tbilisi

Based on Article 25(2) - (4), Article 26(1) and (3) and Article 32(1) of the Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, **I hereby order:**

Article 1

1. The Rule on Record-keeping, storage and reporting of Information on the Transaction by an Obliged Entity to the Financial Monitoring Service of Georgia (Hereinafter – the Rule) shall be approved pursuant to the Annex of this Order.

2. An insurance broker, a reinsurance broker, a loan issuing entity, a lawyer, a law firm that has commenced operating prior to the entry into force of this Order shall submit a filled out registration form to the Financial Monitoring Service of Georgia (hereinafter – FMS) within no later than 1 month from the entry into force of this Order.

3. An obliged entity that commences operations after the effective date of this Order shall submit a registration form to the FMS within no later than 10 business days after acquiring a license, registration or permission from the supervisory authority.

4. The registration form envisaged under Paragraphs 2 and 3 of this Order shall be submitted by the obliged entity through a FMS web portal.

Article 2

The Order shall enter into force from October 20, 2020.

Order No. 4 of 17 August 2020 of the Head of the Financial Monitoring Service of Georgia - Website, 18.08.2020

Head of the Financial Monitoring Service of Georgia, LEPL — **Valerian Khasashvili**

The Rule on Record-keeping, Storage and Reporting of the Information on the Transaction by Obliged Entity to the Financial Monitoring Service of Georgia

Article 1. General Provisions

1. The Rule shall apply to obliged entities under Article 3(1) of the Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing (hereinafter – AML/CFT law).

2. The Rule shall apply to a lawyer, a law firm and a notary in cases envisaged under Article 3(2) of the AML/CFT law.

3. The Rule defines the information related to a transaction (operation) that should be recorded and maintained by an obliged entity, as well as the rule and condition for the submission of information about suspicious transactions and specific types of transactions (operations) to the FMS.

4. The Rule shall not apply to the enforcement of a freezing order imposed over the assets of the listed person and their associate in cases defined by AML/CFT law.

5. (deleted – 17.08.2020, №4);

6. (deleted – 17.08.2020, №4);

7. In cases stipulated under this Rule, foreign currency equivalent in GEL shall be determined based on the official currency exchange rate set by the National Bank of Georgia on the day of conclusion of a transaction or conducting an operation.

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Article 2. Definition of Terms

1. For the purposes of this Rule, the terms used herein have the following meanings:

a) An account - a unique means of recording a customer's funds, securities, electronic money or convertible virtual assets with a commercial bank, microbank, brokerage company, payment service provider, virtual asset service provider or a central securities depository licensed by the National Bank of Georgia;

b) Non-resident person – a foreign citizen natural person, as well as a stateless person and foreign citizen, who is registered in Georgia as an entrepreneur, and/or a legal person, as well as any unregistered organizational arrangement, established in accordance with the foreign legislation (including a branch/representative authority of a foreign company, registered in Georgia);

c) UN Security Council database – the list of the persons to whom the targeted financial

sanctions envisaged under the UN Security Resolutions apply for the prevention, detection and suppression of money laundering, and financing of terrorism and proliferation of weapons of mass destruction;

d) Exceptional circumstances – the request from a customer on the transfer of funds or on the withdrawal of the cash from an account, intent to close an account or to refund the payer or other circumstances that may complicate identification and seeking of a possible illicit or unjustified asset;

e) Associated person – a person acting on behalf of or at the direction of a listed person and/or is directly or indirectly owned or controlled by a listed person;

f) Linked transactions (operations) – occasional transactions concluded in a reasonable timeframe and/or defined based on other criteria (including occasional transfer of funds), which are related to the same customer and might be implemented for structuring a transaction;

g) Online system for submitting information – a web portal located on the website of the FMS (www.fms.gov.ge) that is used for the electronic reporting of the reporting transactions and other information (document) to FMS, envisaged under this Rule and for requesting of the relevant information (document) by the FMS from an obliged entity;

h) High risk jurisdiction – a country or territory, which has serious deficiencies in its anti- money laundering or terrorism financing system. The National Bank of Georgia, at the proposal of the FMS, shall approve and, as required, update the list of high-risk jurisdictions;

i) Instruction manual – the manual for the use of the online system for the submission of information to the FMS;

j) Compliance officer – a person responsible for the functioning of an obliged entity's compliance system or a head and/or an employee of a structural unit;

k) International financial institution – international financial institutions designated under the Government of Georgia Decree N 198 dated February 21, 2014 on Designating the List of International Financial Institutions;

l) Suspicious transaction – a reasonable suspicion that a transaction has been prepared, concluded or carried out based on the illegally possessed asset or the proceeds of an illegally obtained asset or for the purpose of money laundering, or that a transaction is related to terrorism financing;

m) Suspicious zone - a country or the territory of a country that, based on the information available to an obliged entity, is considered to have a weak anti-money laundering control mechanism;

n) The FMS – legal entity of public law – the Financial Monitoring Service of Georgia;

o) Sanctioned person– a natural person and a legal entity to whom apply the sanctions under the UN Security Council Resolutions for the prevention, detection and suppression of terrorism financing or the proliferation of the weapons of mass destruction;

p) The National Agency of Public Registry (NAPR) – a legal entity of public law under the Ministry of Justice of Georgia – the National Agency of Public Registry;

q) A charity organization – a non-commercial legal entity that has been granted a status of a charity organization pursuant to the Tax Code of Georgia;

r) The Revenue Service – a legal entity of public law of the Ministry of Finance of Georgia – the Revenue Service.

2. Other terms used in this Rule have the meaning defined under the Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing and other normative acts of Georgia.

Order No. 4 of 17 August 2020 of the Head of the Financial Monitoring Service of Georgia - Website, 18.08.2020
Order No. of 17 November 2025 of the Head of the Financial Monitoring Service of Georgia - Website, 17.11.2025

Article 3. Identification of a suspicious transaction and reporting to the FMS

1. An obliged entity (except for the Revenue Service of Georgia and the NAPR) shall have a software (electronic) system to identify a suspicious transaction and to report to FMS, the system should be proportionate to the nature, volume and associated ML/TF risks of an obliged entity.

2. For detection of a suspicious transaction, an obliged entity should consider red flags and recommendations developed by FMS and the supervisory authority.

3. An obliged entity (except for the Revenue Service of Georgia and the NAPR) shall submit to the FMS a report on a suspicious transaction or the attempt of preparing, concluding or carrying out of such transaction. The report shall be submitted to the FMS irrespective of the amount of a transaction.

4. Compliance officer shall independently take a decision on submitting the report under paragraph 3 of this Article to FMS. The obliged entity shall protect a compliance officer against threat, discriminatory treatment and other unlawful influence.

5. To submit the report under the paragraph 3 of this Article, the knowledge on the origin of an illicit/unjustified assets, type of violation and/or of unlawful intend is not required. The report shall be submitted to the FMS even in a case where the suspicion is not related to a specific transaction (operation).

6. Report under paragraph 3 of this Article shall include a description of the grounds (substantial circumstances) for a suspicion and the information on the identification of a customer and other persons involved in the transaction, as defined by the law. The report shall also include any information obtained as a result of customer due diligence that is important for the analysis of a suspicious transaction.

7. An obliged entity shall distinctly indicate in the report under paragraph 3 of this Article, if there are special circumstances that require immediate action on the part of the FMS. In such case, the preliminary telephone or electronic communication shall be made to FMS.

8. An obliged entity shall additionally, report to the FMS about substantial circumstances related to a suspicious transaction that have become known after the submission of a report under paragraph 3 of this Article, within one business day after acquiring such information.

9. If the request from the FMS is received according to an Article 25(6) of AML/CFT law, the obliged entity, within 2 business days after receiving a request, shall submit any information (document) that FMS requires for the detection and analysis of suspicious transactions (including, confidential information).

10. An obliged entity shall take measures to detect complex, unusually large transaction (operation) and unusual patterns of transactions (operations), as well and linked transactions. In such case, an obliged entity shall examine whether there is the basis to submit the report under paragraph 3 of this Article.

11. In the report referred to in paragraph 3 of this Article, which is submitted in the case provided for in paragraph 8 of Article 11 of the Law of Georgia on "Facilitating the Suppression of Money Laundering and Terrorism Financing", the obliged entity shall indicate the grounds for suspending the application of preventive measures.

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Article 4. Targeted financial sanctions of the UN Security Council

1. An obliged entity shall submit the report under Article 3(3) of this Rule to the FMS, if there is a reasonable ground to suspect that a customer or a party of a transaction is a listed person or associated person thereof.

2. An obliged entity, in order to identify a listed person and associated person thereof, shall check the following persons in the UN Security Council database:

a) A customer, a person acting on behalf of a customer and a beneficial owner;

b) A person having the discretion and representative powers from a customer;

c) Other counterpart of a transaction (contractor), beneficiary of life insurance and a person in who's benefit a transaction (operation) is concluded or conducted;

d) In case of the transfer of funds –the payer/originator, the payee/beneficiary, the provider of the payer/originator and the payee/beneficiary, as well as an intermediary provider (if applicable).

3. The obliged entity shall check the entities under paragraph 2(a) and (b) of this Article in the UN Security Database:

a) Prior to establishing business relations and concluding an occasional transaction;

b) As soon as possible after an amendment is entered in the UN Security Council database.

4. An obliged entity shall check persons under paragraph 2(c) and (d) of this Article in the UN Security Council Database as soon as possible after a person is identified, before a transaction is concluded or an operation is conducted. The obliged entity shall immediately examine the match of the identification data of the persons under paragraph 2 of this Article with identification data of the persons entered in the UN Security Council database.
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Article 5. Submition of a report on a transaction to the FMS by a commercial bank/microbank

Besides the report under Article 3(3) of this Rule, a commercial bank/microbank shall submit to the FMS a report on the following transaction (operation):

a) The purchase and sale of foreign currency using cash (except for a foreign currency purchase and sale operation conducted based on a spot, futures, forwarding or swapping transaction), if a transaction exceeds GEL 50,000 or equivalent in a foreign currency;

b) Depositing cash to the account of a natural person, if a transaction exceeds GEL 50,000 or equivalent in foreign currency;

c) Depositing cash to the account of a legal entity, if operation exceeds GEL 50,000 or equivalent in a foreign currency;

d) Transfer of funds to an account, from a high risk jurisdiction or transfer of funds from an account to high risk jurisdiction, if the transaction exceeds GEL 50,000 or equivalent in a foreign currency;

e) Transfer of funds to an account from a suspicious zone or the transfer of funds from an account to a suspicious zone, if the transaction exceeds GEL 150,000 or equivalent in a foreign currency;

f) Receipt of a money transfer from high risk jurisdiction or a suspicious zone or transferring

to high risk jurisdiction or suspicious zone, if the transaction exceeds GEL 10,000 or equivalent in foreign currency;

g) Transfer of funds to an account of a non-commercial legal entity (other than a charity organization) from another jurisdiction, is the transaction exceeds GEL 50,000 or equivalent in a foreign currency;

h) Transfer of funds to a charity organization's account from another jurisdiction, if the transaction exceeds GEL 10,000 or equivalent in a foreign currency.

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Article 6. Submitting of a report on a transaction by non-bank financial institutions

1. Except for the report under Article 3(3) of this Rule, a microfinance organization shall submit a report to the FMS about the following transaction (operation):

a) Purchase and sale of foreign currency using cash, if the transaction exceeds GEL 50,000 or equivalent in a foreign currency;

b) Receiving loan from a non-resident person (other than an international financial institution), if the transaction exceeds GEL 100,000 or equivalent in a foreign currency;

c) Issuing a bill of exchange to a non-resident person, if the transaction exceeds GEL 100,000 or equivalent in a foreign currency;

d) Receiving a money transfer from high-risk jurisdiction or a suspicious zone or sending to a high-risk jurisdiction or suspicious zone, if the transaction exceeds GEL 10,000 or equivalent in a foreign currency.

2. Except for the report under Article 3(3) of this Rule, the payment service provider shall submit to the FMS reporting on the following transaction (operation):

a) Transfer (depositing) to an electronic account or transfer of funds from the electronic account, if the transaction exceeds GEL 30,000 or equivalent in a foreign currency;

b) Receiving money transfer from high-risk jurisdiction or suspicious zone or sending to high-risk jurisdiction or suspicious zone, if the transaction exceeds GEL 10,000 or equivalent in a foreign currency.

c) Depositing cash to an electronic account (deposit) of a participant of games of chance/winning games organized using systemic-electronic method, if the transaction exceeds GEL 10,000 or equivalent in a foreign currency.

3. Except for the report under Article 3(3) of this Rule, a brokerage company shall submit

to the FMS reporting about the following transaction (operation):

a) Depositing cash to a brokerage company nominal ownership account, if the transaction exceeds GEL 50,000 or equivalent in a foreign currency;

b) Purchase/sale of securities based on an instruction of a resident person of a high-risk jurisdiction, if the transaction exceeds GEL 50,000 or equivalent in a foreign currency.

4. Except for the report under Article 3(3) of this Rule, currency exchange bureau shall submit to the FMS report, if the purchase and sale of a foreign currency using cash, exceeds GEL 50,000 or equivalent in a foreign currency.
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Article 7. Reporting to the FMS on a transaction by an entity carrying out non-financial activity

1. Except for the report under Article 3(3) of this Rule, a notary shall submit to the FMS a report about depositing funds or securities, exceeding GEL 50,000 or equivalent in foreign currency, to the notary deposit account, if funds or securities are deposited as part of the services related to the services defined under Article 3(2) of AML/CFT law.

2. Except for the report under Article 3(3) of this Rule, organizer of lotteries, gambling or other commercial games, shall submit to the FMS a report on receiving, winning of funds or the disbursement of funds, if the transaction (operation) amount/value exceeds GEL 50,000 or equivalent in a foreign currency.

3. The NAPR shall report to the FMS on the following transaction:

a) Purchase and sale of immovable property, if the transaction exceeds GEL 300,000 or equivalent in a foreign currency;

b) The purchase and sale or gifting of immovable property if a party to a transaction is a sanctioned person under the UN Security Council database;

c) The purchase and sale or gifting of immovable property in case a party to a transaction is a legal entity registered in high-risk jurisdiction or a branch of such legal entity registered in Georgia;

d) Purchase-sale or gifting of immovable property, in case a natural person in a transaction is an individual having registration address or actual residence in a high risk jurisdiction;

e) Purchase-sale of immovable property, if the transaction amount is considerably higher or lower than the market price.

4. The Revenue Service of Georgia shall report to the FMS:

a) Cross-border transportation of cash or securities exceeding GEL 30,000 or its equivalent in a foreign currency, across the customs border of Georgia;

b) Cross-border movement of cash or securities by bypassing customs control or secretly thereof or via incorrect declaring across the customs border.

Article 8. The rule and conditions for submitting information

1. Report and other information (document) shall be submitted to the FMS in accordance with this Rule, via the online information submission system, according to the instruction manual.

2. Report and other information (document) can be submitted to the FMS in hard copy, if it is technically impossible to submit reporting and other information (document) electronically in accordance with Paragraph 1 of this Article.

3. Hard copy report and other information (document) shall be submitted to the FMS in a sealed envelope on which the label of confidentiality, the name and address of obliged entity and receiver shall be provided.

4. Report and other information (document) shall be considered as submitted to the FMS only if confirmed by the FMS:

a) In case of an electronic submission of a report and other information (document) – by assigning a status "confirmed" in an information submission program-electronic system;

b) In case of submission of a report and other information (document) in hard copy – via a signature of the FMS authorized employee.

5. A lawyer or law firm shall be authorized to submit report under Article 3(3) of this Rule or other information (document) to the Georgian Bar Association instead of the FMS. The Georgian Bar Association shall, on the same working day, submit the relevant report or other information (document) to the FMS, without alteration, in the form prescribed by this Rule.
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Article 9. Timeframe for submission of information

1. An obliged entity shall submit to the FMS a report envisaged under Article 3(3) of this Rule immediately, on the day when a reasonable suspicion is formed.

2. An obliged entity shall submit to the FMS a report envisaged under Articles 5, 6, and Article 7(1) and (2) of this Rule within no later than 5 working days after concluding a transaction or conducting an operation.

3. The NAPR shall submit to the FMS a report envisaged under Article 7(3) of this Rule

within no later than 5 working days from the registration of the title on immovable property.

4. The Revenue Service shall submit to the FMS a report envisaged under Article 7(4) of this Rule within no later than 5 working days after cash or securities are moved across the customs border of Georgia.

Article 10. Maintaining confidentiality

1. An obliged entity, its management and employees shall be prohibited from disclosing to a customer or any other person that measures are being or will be undertaken to examine an unusual transaction and/or detect a suspicious transaction or report or other information (document) was or will be submitted to FMS as provided by Article 3 of this rule.

2. Disclosure of information referred to in paragraph 1 of this Article, shall not be prohibited in cases defined under Article 28(2) and (3) of AML/CFT law.

3. The system for detecting a suspicious transaction and submitting the report to the FMS, introduced by the obliged entity shall ensure that only authorized employees of the obliged entity have access to information envisaged under Paragraph 1 of this Article.

4. The obliged entity, its management and employees may not be held responsible for breaching confidentiality obligation stipulated under a normative act or an agreement, if they conduct the obligation to submit report or other information (document) to the FMS as envisaged under this Rule, in a good faith.

Article 11. Record-keeping and storing of the information

1. The obliged entity (Except for the Revenue Service) shall record electronically and/or using hard copy documents and store the following information related to a transaction (operation):

a) The type and content (purpose and intended nature) of a transaction (operation);

b) The place and date of concluding/conducting a transaction (operation);

c) The form and term of a transaction;

d) Amount/value and currency of a transaction (operation);

e) Identification data of a customer and a person acting on behalf of the customer.

f) Identification data of another person (contractor) involved in the transaction (operation) and of an individual acting on its behalf;

g) Identification data of a person in favor of whom a transaction (operation) is

concluded/conducted;

h) The type, number, opening/closure date of an account, through which a transaction (operation) was conducted (if applicable).

2. Information envisaged under Paragraph 1 of this Article shall be recorded and stored on a transaction concluded with a customer as well as on a transaction (operation) prepared, concluded and conducted based on a customer's request.

3. In case of purchase-sale of foreign currency, along with the information envisaged under Paragraph 1 of this Article, an obliged entity shall additionally record and store the information about currency exchange rate on the date of the transaction.

4. Along with the information envisaged under Paragraph 1 of this Article, a securities registrar shall additionally record and store information on the date of entering changes in the securities registry and the basis for a transaction.

5. The obliged entity shall determine the cases when according to identified risks it will obtain record and maintain additional information and document about the basis of a transaction (operation).

6. The Revenue Service, in case envisaged under Article 7(4) of this Rule, shall record and maintain the following information:

a) Identification details of persons that cross and send/receive cash and securities, date and purpose for such cross movement;

b) Currency, amount, source and purpose of moved cash;

c) Type, value, source and purpose of moved securities;

d) A country from where a person and/or a country where a person who is moving cash and securities has entered from/ going to.

7. The obliged entity shall establish, pursuant to legislation, the software (electronic) system for recording and maintaining information that is proportionate to the type and volume of the obliged entity's operations and ensures the protection of and timely access (search) of information recorded about transactions (operations).