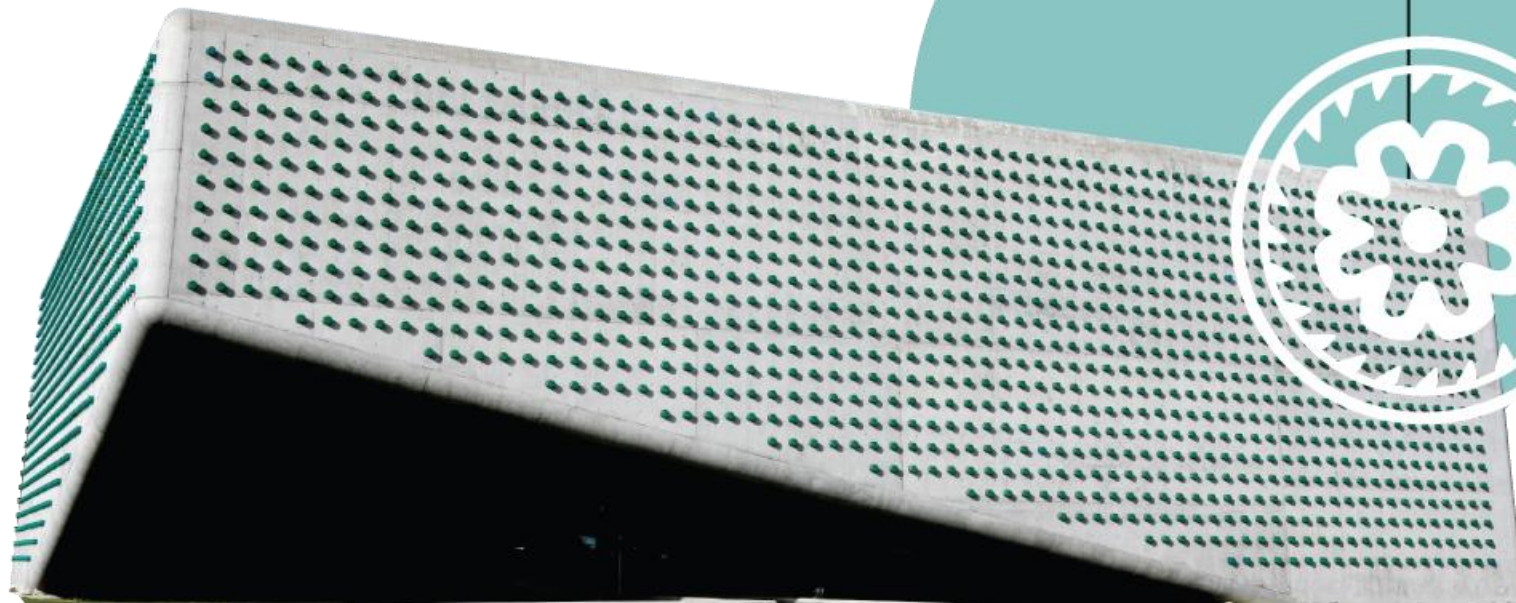


BROKERAGE COMPANIES IN GEORGIA





ACTIVITIES OF A BROKERAGE COMPANY

LIMITED LICENSE

FULL LICENSE

Direct consultations to investors on investments, including the price of securities, investment in securities, trading in securities and related foreign exchange transactions



Conduct research related to financial instruments and their issuers and ensure the dissemination of the research results and/or recommendations on investments strategies



Provide consultations to issuers on the issuance of securities and the attractiveness of investments



Prepare and distribute an issuer's securities on a non-guaranteed basis



Receive and transmit clients' orders related to securities, and conduct securities transactions with a clients' funds in their Interests



Manage clients' investment portfolios, including pension schemes, and funds allocated for operations in securities



Store and record clients' investment funds and/or securities, as well as provide services to a nominee holder of securities, and open cash and securities accounts for clients for this purpose and conduct operations on those accounts



Enter into securities transactions in their own interests with their own funds



Prepare and distribute an issuer's securities on a guaranteed basis



Lend and borrow securities to and from clients, and use their own funds for acquiring securities for clients, and participate in 'short selling' in accordance with the procedure established by the National Bank of Georgia



Buy and sell currency



Enter into a derivative contract



Conduct other operations related to financial instruments, and shares in an entrepreneurial company and exercise other powers provided for by the Law



Organize a foreign currency trading platform





LICENSING OF A BROKERAGE COMPANY

MAIN DOCUMENTS TO BE SUBMITTED FOR THE LICENSING OF THE BROKERAGE COMPANY:

- An extract from the Register of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities (which, apart from other information, proves that the applicant is registered as a limited liability company or a joint stock company in accordance with the Law of Georgia “on Entrepreneurs”) and the latest version of the documents of incorporation of the company;
- List of types of brokerage activities to be provided by an applicant;
- Information regarding the ownership structure of the company; If the applicant is a member of a group, information regarding the structure of the group;
- Document confirming that the applicant has the required amount of minimum own capital (limited license – 150,000 Gel, full license – 500,000 Gel) as well as information regarding the origination of such capital;
- Information about the members of the management body and significant shareholders of the applicant, including information regarding education and experience;
- Current balance sheet of the company, as well as audited financial statements of the last financial year;
- Information regarding the business model of the applicant and their strategic plan;
- If applicable, name of a provider of a trading platform and description of the technical specifications of such platform;
- Document confirming payment of the licensing fee

LICENSING OF A BROKERAGE COMPANY



MAIN DOCUMENTS TO BE SUBMITTED FOR THE LICENSING OF THE BRANCH OF A FOREIGN BROKERAGE COMPANY:

- Document confirming registration of a branch of the foreign brokerage company in Georgia (Extract from the Registry of Entrepreneurial and Non-entrepreneurial (Non-commercial) Legal Entities);
- Document confirming that the company is licensed as a brokerage company by the relevant foreign regulatory authority;
- List of the types of brokerage activities that are to be executed;
- Resolution of the management body of a foreign brokerage company regarding executing brokerage activities in Georgia and addressing National Bank of Georgia on that matter;
- Approval from the regulator supervisory body for the foreign brokerage company regarding opening a branch in Georgia and conducting brokerage activities;
- Documentation confirming the amount of the resource allocated by the foreign brokerage company which satisfies minimal amount of capital.



REGULATORY FRAMEWORK

LAW

[Law of Georgian on Security Market](#)

LEGISLATIVE ACTS:

[The order N145/04 of the President of the National Bank of Georgia "On approval of a rule of licensing and regulating of a brokerage company"](#)

[The order N107/04 of the National Bank of Georgia "On the approval of the additional regulation rule of brokerage companies involved in trading with high-risk financial instruments"](#)