

# INVESTMENT FUNDS FRAMEWORK

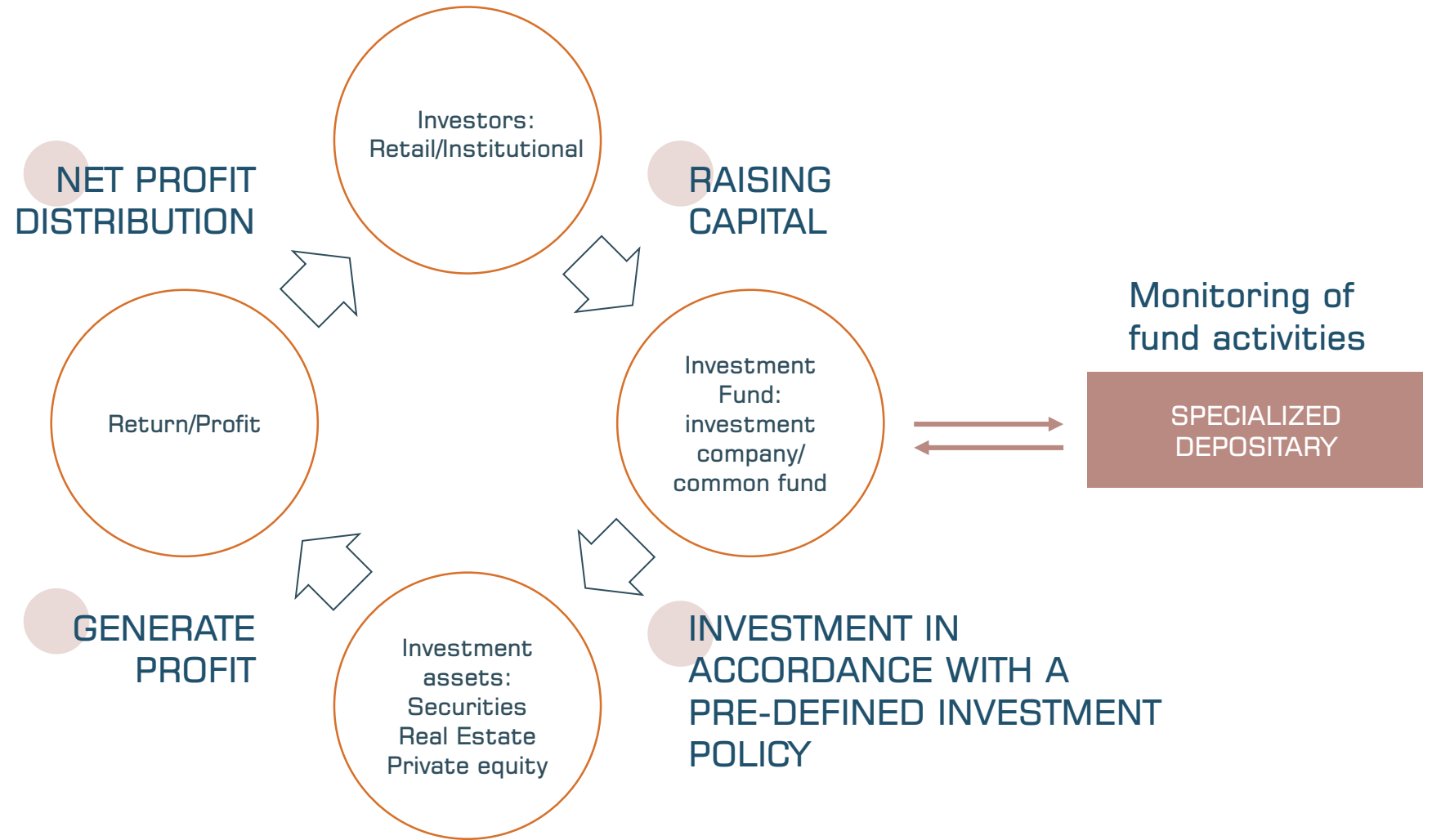
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## IN GEORGIA



საქართველოს ეროვნული ბანკი  
National Bank of Georgia

# INVESTMENT FUNDS STRUCTURE



	AUTHORIZED		REGISTERED
	UCITS	Retail Investment Fund (Retail AIF)	Registered Investment Fund (Non-Retail AIF)
Number of Retail Investors	Unlimited	Unlimited	Max. 20 retail investors
Legal Form	Investment company/common fund	Investment company/common fund	Investment company/common fund
In case of Investment Company:	JSC	JSC	JSC/LLC/GP/LP
Fund Type	Open-ended	Open-ended	Open-ended
		Interval	Interval
		Closed-ended	Closed-ended
Specialized Depositary	Mandatory	Mandatory	Not Mandatory
Asset management Company	Licensed	Licensed	Registered or Licensed
Minimum Capital Requirement	300 000 ₪	300 000 ₪	No Capital Requirement
Investment Policy Restrictions	Transferable Security Required by UCITS Directive	Restrictions set within the Regulatory Framework	No Restrictions
Disclosure Requirements	Prospectus	Prospectus	Information on Investors, Investment Strategy and Investment Assets
	HY & Annual Reports	HY & Annual Reports	
	KIID	KIID	

## Main documents to be submitted

### Authorized Investment Fund

- Article of incorporation;
- Prospectus;
- Key Investor Information Document (KIID);
- Agreement with a specialized depositary;
- Information about the capital (300,000 GEL);
- Information about the governing body and significant shareholders, including details about the work experience of members of the governing body;
- Document verifying the payment of the authorization fee.

### Licensed Asset Manager

- Article of incorporation;
- Business Plan;
- Information about the capital (300,000 GEL);
- Information about the governing body and significant shareholders, including details about the work experience of members of the governing body;
- Document verifying the payment of the license fee.`

Useful Link

[Regulatory Framework](#)

### Registered Investment Fund

- Article of incorporation;
- Information about the governing body and significant shareholders, including details about the work experience of members of the governing body;
- Document verifying the payment of the registration fee.

### Registered Asset Manager

- Article of incorporation;
- Business Plan;
- Information about the governing body and significant shareholders, including details about the work experience of members of the governing body;
- Document verifying the payment of the registration fee.

INCOME DISTRIBUTION ATTRIBUTABLE TO  
GEORGIAN SOURCES (Dividend)

Investment Company - Partial Attribution

Common Fund - Full Attribution

	Deposits, Treasury and IFI bonds, A&B listed securities (Except for distribution of profits received from the resident enterprise)	Other financial instruments (other than the distribution of profits from the resident enterprise)	Other Assets (including Real Estate)	Deposits, Treasury and IFI bonds, A&B listed securities (Except for distribution of profits received from the resident enterprise)	Other financial instruments (other than the distribution of profits from the resident enterprise)	Other Assets (including Real Estate)
Natural persons						
Residents	0%	5%	15%	0%	5% (otherwise 20% on gains)	20%
Non Residents	0%	5%	15%	0%	5% (otherwise 20% on gains)	20%
Enterprises						
Residents	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution
Non residents	0%	5%	15%	0%	5% (otherwise 20% on gains)	15%

## INCOME DISTRIBUTION ATTRIBUTABLE TO FOREIGN SOURCES (Dividend)

	Investment Company – partial attribution		Common Fund – Full attribution	
	Financial Instruments	Other Assets (Including Real Estate)	Financial Instruments	Other Assets (Including Real Estate)
<b>Natural persons</b>				
Residents	0%	0%	0%	0%
Non Residents	0%	5%	0%	0%
<b>Enterprises</b>				
Residents	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution
Non residents	0%	0%	0%	0%

## TAXATION OF CAPITAL GAIN ON UNIT SALES OR REDEMPTION

### Investment Company - Partial Attribution

### Common Fund - Full Attribution

	Deposits, Treasury and IFI bonds, A&B listed securities (Except for distribution of profits received from the resident enterprise)	Other financial instruments (other than the distribution of profits from the resident enterprise)	Other Assets (including Real Estate)	Deposits, Treasury and IFI bonds, A&B listed securities (Except for distribution of profits received from the resident enterprise)	Other financial instruments (other than the distribution of profits from the resident enterprise)	Other Assets (including real estate)
<b>Natural persons</b>						
Residents	0%	5%	15%	0%	5%	15%
Non Residents	0%	5%	15%	0%	5%	15%
<b>Enterprises</b>						
Residents	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution	Taxed On Distribution
Non residents	0%	5%	15%	0%	5%	15%

A modern building with a green and grey facade, featuring a large, angular, cantilevered section. The building is situated in an urban environment with a paved plaza in the foreground and a clear blue sky in the background.

# REGULATORY FRAMEWORK

## LAW

[Law of Georgia on investment funds](#)

## LEGISLATIVE ACTS:

[Decree №167/04 of September 22, 2020 of the Governor of the National Bank of Georgia "On the Approval of the Rule on Licensing, Registration, Recognition and Regulation of an Asset Management Company"; annex;](#)

[Decree №168/04 of September 22, 2020 of the Governor of the National Bank of Georgia "On the Approval of the Rule of Activities of the Specialized Depository"; annex;](#)

[Decree №170/04 of September 22, 2020 of the Governor of the National Bank of Georgia "On the Approval of the Rule on Authorization, Registration, Recognition and Regulation of an Investment Fund"; annex;](#)

[The order N169/04 Of the President of the National Bank of Georgia "On Approving the Rule for Keeping Registry of Investment Fund Unit owners"](#)

[Order N198/04 Of the President of the National Bank of Georgia "On Approving the Liquidation Rule of the Investment Fund"](#)