

**Order No. 197/04**

21 August 2025, Tbilisi

**On Approving the Rule on Granting, Maintenance and Cancellation of Green, Social, Sustainability and Sustainability-linked Bond Status**

Pursuant to subparagraph “z” of the first paragraph of Article 15 of the Organic Law of Georgia “On the National Bank of Georgia,” as well as subparagraphs “a,” “d,” “z,” and “t” of Article 52 of the same Organic Law, and paragraphs 1 and 3 of Article 4 and paragraph 4 of Article 9 of the Law of Georgia “On the Securities Market,” I hereby order the following:

**Article 1**

The Rule on Granting, Maintenance and Cancellation of Green, Social, Sustainability and Sustainability-linked Bond Status, along with its annexes, is hereby approved.

**Article 2**

This order shall not apply to bonds whose preliminary prospectus was submitted to the National Bank of Georgia for approval prior to the entry into force of this order.

**Article 3**

This order shall enter into force from 1 January 2026.

Acting President of the National Bank of Georgia  
**Ekaterine Mikabadze**

**Rule on Granting, Maintenance and Cancellation of Green, Social, Sustainability and Sustainability-linked Bond Status**

**Article 1. Scope**

1. By the Rule on Granting, Maintenance and Cancellation of Green, Social, Sustainability and Sustainability-linked Bond Status (hereinafter – the Rule), the conditions for granting, maintenance and cancellation of the status of a “Green Bond,” “Social Bond,” “Sustainability Bond,” or “Sustainability-linked Bond” are determined.

2. This Rule applies to bonds that are public securities, as well as bonds for which a public offering or admission to trading on a licensed stock exchange in Georgia is requested through a prospectus submitted to the National Bank of Georgia (hereinafter – the National Bank).

3. The use of the words “Green,” “Social,” “Sustainability,” “Sustainability-linked,” or equivalent/similar terms (including in a foreign language) in the name or description of a bond is prohibited if the bond does not comply with the requirements of this Rule.

4. Except for paragraphs 2 and 3 of Article 6 of this Rule, this Rule shall not apply to green, social, sustainability and sustainability-linked bonds admitted to trading on a recognized foreign stock exchange, as defined by the Rule approved by Order No. 178/04 of 7 October 2020 of the President of the National Bank of Georgia “On Approving the List of Recognized Foreign Stock Exchanges of Foreign Countries, the Issuers of Securities Admitted to Trading Thereon, and the Rule on Public Offering of Securities in Georgia Issued by International Financial Institutions and Development Organizations with Foreign State Participation” (hereinafter – the Rule on Recognized Foreign Stock Exchanges).

5. This Rule does not apply to securities issued by International Financial Institutions and Development Organizations created with foreign state participation as defined under the Rule on Recognized Foreign Stock Exchanges

## **Article 2. Definitions**

1. For the purposes of this Rule, the following definitions shall apply:

- a) **Issuer** – as defined in Article 2, paragraph 16 of the Law of Georgia on the Securities Market;
- b) **Green Taxonomy** – classification system defined in Annex No.1 of this Rule, which establishes a list of economic activities with positive environmental effects, with corresponding technical criteria;
- c) **Social Taxonomy** – classification system defined in Annex No.2 of this Rule, which establishes a list of economic activities with positive social effects;
- d) **Sustainable Finance Taxonomy** – a classification system composed of the Green and Social Taxonomies defined in Annexes No.1 and No.2 of this Rule;
- e) **Equivalent Taxonomy** – any of the following:
  - e.a) the EU Sustainable Finance Taxonomy;
  - e.b) the Climate Bonds Taxonomy of the Climate Bonds Initiative;
  - e.c) Common Principles for Climate Mitigation Finance Tracking of the Joint Climate Finance Tracking Group of multilateral development banks (MDBs) and International Development Finance Club (IDFC).
- f) **Green Bond** – a bond which complies with the requirements of this Rule and is used to finance or refinance one or more economic activities defined by the Green Taxonomy or Equivalent Taxonomy;
- g) **Social Bond** – a bond which complies with the requirements of this Rule and is used to finance or refinance one or more economic activities defined by the Social Taxonomy or Equivalent Taxonomy;
- h) **Sustainability Bond** – a bond which complies with the requirements of this Rule and is used to

finance or refinance a combination of economic activities that simultaneously meet the requirements of the Green and Social Taxonomies or Equivalent Taxonomy, provided that the activities do not significantly harm one another;

i) **Sustainability-linked Bond** – a bond which complies with the requirements of this Rule and under which the issuer undertakes to improve sustainability-related outcomes of its activities within a predefined timeline;

j) **External Reviewer** – an independent third party which is included in the list published by the International Capital Market Association (ICMA) (website: <https://www.icmagroup.org/>), or approved by the Climate Bonds Initiative (website: <https://www.climatebonds.net/>), or registered by the European Securities and Markets Authority (ESMA) as a person/entity conducting reviews.

k) **External Review** – an assessment carried out by an External Reviewer in accordance with ICMA principles, Climate Bonds Initiative standards, or Regulation (EU) 2023/2631 of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and sustainability-linked bonds;

l) **Granting of the Status** – granting of the right to use the name “Green Bond,” “Social Bond,” “Sustainability Bond,” or “Sustainability-linked Bond”;

m) **Look-back period** – a maximum period in the past that will be tracked in order to identify earlier disbursements used for the refinanced project(s);

n) **Allocation Report** – a report demonstrating annual allocation of the bond proceeds;

o) **Impact Report** – a report demonstrating the expected or achieved environmental and/or social impact resulting from the allocation of bond proceeds;

p) **ICMA Principles** – the “Green Bond Principles,” “Social Bond Principles,” “Sustainability Bond Guidelines,” or “Sustainability-linked Bond Principles” developed by the International Capital Market Association;

q) **Recognized Stock Exchange** – as defined in Annex No.1 of the Rule on Recognized Foreign Stock Exchanges.

2. Other terms not defined herein shall have the meanings assigned to them by the Law of Georgia on the Securities Market, the rules of the National Bank, and other normative acts of Georgia.

### **Article 3. Granting of the Status**

1. Funds raised through Green, Social, or Sustainability Bonds shall be used exclusively for financing/refinancing economic activities specified in Annex No.1 and/or Annex No.2 of this Rule or the Equivalent Taxonomy.

2. To obtain Green, Social, or Sustainability Bond Status, the issuer shall disclose the following information in the preliminary prospectus submitted to the National Bank:

a) Description of the use of proceeds, specifying Green, Social, or Sustainability objectives;

b) Brief description of compliance of the bonds with Annex No.1 and/or Annex No.2 of this Rule or the latest enacted version of the Equivalent Taxonomy;

c) Detailed description of the systems/procedures for managing and monitoring the proceeds, including mechanisms for managing unallocated funds and indicating the liquid assets in which such funds will be temporarily invested;

d) A description of the investments and/or projects subject to refinancing (if any), as well as the approximate share of financing and refinancing within the total proceeds raised, and, for projects subject to full or partial refinancing, a description of the relevant (expected) look-back period;

e) In case of refinancing, expected amounts allocated to capital expenditures and operating costs, as well as the refinancing volume of other green, social, or sustainability bonds (if applicable);

f) Information regarding the publication of a positive external review, with the relevant website indicated;

g) The standard, deadlines, and website set for the publication of allocation and impact reports;

h) Brief summary of bond terms within the issuer's overall sustainability strategy;

i) Description of risks related to cancellation of the Status;

j) Description of the impact of possible future amendments to the relevant Taxonomy on the bond and/or project.

3. By issuing a sustainability-linked bond, the issuer undertakes the obligation to improve the sustainability-related outcomes of its activities within a predefined period, in accordance with the Sustainability-Linked Bond Principles of the International Capital Market Association.

4. To obtain Sustainability-linked Bond Status, the issuer shall disclose the following information in the preliminary prospectus submitted to the National Bank:

a) Description of compliance of the bonds with the core components of the latest enacted version of the ICMA Sustainability-linked Bond Principles;

b) Information regarding the publication of a positive external review, with the relevant website indicated;

c) Dates and website for fulfilling the reporting component of the ICMA Sustainability-linked Bond Principles;

d) Brief summary of bond terms within the issuer's overall sustainability strategy;

e) Description of risks related to cancellation of the Status;

f) Description of the impact of possible amendments to the ICMA Sustainability-linked Bond Principles on the bonds.

5. The application for public offering of the preliminary prospectus must include a positive external review confirming the bond's status.

6. At the time of submission of the preliminary prospectus, the issuer must ensure that the External Reviewer is included in the list published by the International Capital Market Association, approved by the Climate Bonds Initiative, or registered by European Securities and Markets Authority, and that the positive external review is published on the issuer's website.

7. The National Bank shall grant the bond Status at the stage of approval of the preliminary prospectus.

#### **Article 4. Reporting Requirements**

1. The reporting requirements set out in paragraphs 2–9 of this Article apply to Green, Social, and Sustainability Bonds.

2. Until full allocation of proceeds, the issuer must publish allocation report(s) on its website, as well as on the reporting portal provided by the Law of Georgia “On Accounting, Reporting and Auditing” ([www.reportal.ge](http://www.reportal.ge)).

3. The allocation report must be prepared and published annually, counted from the date of issuance of the bond.

4. The first allocation report must be published no later than 15 months after issuance. Subsequent reports shall follow the same annual publication date.

5. The allocation report shall reflect the use of proceeds raised through the bonds in accordance with the conditions defined by paragraph 2 of Article 3 of this Rule, covering the period from the issuance of the bonds until the end of the period specified in the allocation report. The allocation report that reflects the full allocation of the proceeds shall be accompanied by a positive external review. If any other (interim) allocation report is not accompanied by a review, this must be explicitly indicated in the respective report.

6. In the case of multiple bond issuances carried out on the basis of the same prospectus, the issuer may publish the allocation report in aggregated form, if this is permitted by the applicable reporting standard. The allocation report must be published no later than 15 (fifteen) months from the date of the first issuance of the bonds. The publication date of each subsequent allocation report shall be determined in accordance with the publication date of the first report.

7. After the full allocation of proceeds raised through the bonds, but no later than the full repayment of the bonds, the issuer shall publish an impact report on its own website, as well as on the reporting portal provided under the Law of Georgia “On Accounting, Reporting and Auditing” ([www.reportal.ge](http://www.reportal.ge)). The impact report may be accompanied by an external review, and if no review accompanies the report, this must be explicitly indicated therein. The impact report shall at a minimum include information on the allocation of proceeds, including qualitative and, where applicable, quantitative performance indicators, as well as a description of the environmental and/or social impact or expected impact that has been or will be achieved as a result of the allocation of proceeds in accordance with the terms of the bonds.

8. In the case of multiple issuances under the same prospectus for separate projects/objectives, individual impact reports must be published for each issuance after full allocation, but no later than full repayment. Otherwise, aggregated impact reports are allowed.

9. If the bond serves to finance/refinance multiple projects, the allocation report and the impact report shall include information on the financing/impact of each individual project, except in cases where such disclosure would result in a breach of confidentiality agreements, the disclosure of the issuer’s commercial secrets, and/or where the indication of such information is impossible due to the number of projects subject to financing/refinancing. In the case of presenting the information in aggregated form, the report shall provide an explanation of the reasons for not presenting information on individual projects.

10. The issuer of sustainability-linked bonds shall be obliged to prepare an annual report, ensure its review by an External Reviewer, and publish it on its own website as well as on the reporting portal provided under the Law of Georgia “On Accounting, Reporting and Auditing” ([www.reportal.ge](http://www.reportal.ge)), in accordance with the reporting and verification components set out in the Sustainability-Linked Bond Principles established by the International Capital Market Association.

11. For five (5) years following the full repayment of the bonds, the issuer shall be obliged to have published and maintained on its own website, as well as on the reporting portal provided under the Law of Georgia “On Accounting, Reporting and Auditing” ([www.reportal.ge](http://www.reportal.ge)), all reviews (reports) and other supporting documents related to the status of the bonds, including the bond framework, if such exists.

12. At the time of publication of reports and reviews, the issuer must ensure that the External Reviewer is included in the list published by the International Capital Market Association, approved by the Climate Bonds Initiative, or registered by European Securities and Markets Authority.

## **Article 5. Maintenance of the Status**

1. From issuance until full repayment of the bonds, the issuer must comply with the requirements of this Rule.
2. If, prior to the full repayment of a green, social, or sustainability bond, there no longer exists an asset financed/refinanced with the funds raised through the bonds in accordance with this Rule, or such asset no longer complies with the requirements of this Rule, the issuer shall be obliged to temporarily place the raised funds in liquid assets in accordance with the procedures defined in subparagraph “c” of paragraph 2 of Article 3 of this Rule, until the funds are subsequently used for the financing or refinancing of eligible economic activity/activities.
3. If, prior to the full repayment of the bonds, the issuer intends to make material changes to the project financed/refinanced by the bond, or to the bond framework for which it had previously obtained a review, the issuer shall, prior to implementing such changes, re-obtain and publish a positive review for the revised framework/project and shall notify the National Bank thereof within 10 (ten) business days from the publication of the review.

## **Article 6. Cancellation of the Status**

1. Taking into account the seriousness of the violation and the potential risk, the National Bank shall be authorized to cancel the status granted to the bond if the issuer breaches the requirements established by this Rule.
2. In the event of cancellation of the status, the issuer shall be obliged to have information on the cancellation of the status published on its own website both until the repayment of the bond and for five (5) years thereafter.
3. In the event of cancellation of the status, the issuer shall be obliged to notify the bondholders in writing within 10 (ten) business days, and, in the case of bonds admitted to trading on a recognized stock exchange, also to notify the National Bank.

## **Article 7. Supervisory Measures and/or Sanctions**

In the event of a violation of the requirements established by this Rule, the National Bank shall be authorized to apply supervisory measures and/or sanctions (including monetary fines) as determined by the Organic Law of Georgia “On the National Bank of Georgia,” the Law of Georgia “On the Securities Market,” and other normative acts adopted thereunder.

**Article 8. Transitional Provision**

The reporting requirements provided under Article 4 of this Rule shall apply only to those bonds whose preliminary prospectus is submitted to the National Bank for approval after 1 January 2027.