

Rules Concerning the Determination of the Official Exchange Rate of the Domestic Currency against Foreign Currencies

Article 1. General Provisions

1. The aforementioned rules have been developed in accordance with the Organic Law on the National Bank of Georgia with the aim of setting the rule for determining the official exchange rate of the Georgian Lari against foreign currencies (hereinafter “the Official Exchange Rate”).
2. The National Bank of Georgia is responsible for establishing and publishing the official exchange rate of the Georgian Lari against foreign currencies.
3. The list of foreign currencies, towards which the official exchange rate of the Georgian Lari is determined, is established by the National Bank of Georgia.
4. The official exchange rate is used by the National Bank of Georgia to settle funds with the State Budget and also for other purposes in accordance with the acting legislation.
5. The official exchange rate is an indicative rate and its use is not obligatory except for instances set forth in paragraph 4 of this Article.
6. Interested party can use USD/GEL and USD relevant foreign currency cross rates for those foreign currencies towards which the official exchange rate of the Georgian Lari is not determined.

Article 2. Rules Governing the Determination of the Official Exchange Rate

1. The official exchange rate of the Georgian Lari against the U.S. Dollar is calculated each business day. The calculation period (hereinafter “calculation period”) is determined as the period spanning from 16:30 of the previous business day to 16:30 of the calculation day within the Bmatch platform of Bloomberg Trading System (hereinafter “Trading System”), taking into account all registered trades.
2. The official exchange rate of the Georgian Lari towards the U.S. Dollar is calculated as the average weighted exchange rate of the registered spot trades on the NBG foreign exchange auction and on the interbank market during the calculation period within the trading system.
3. The following instances will not be considered in the determination of the official exchange rate of the Georgian Lari towards the U.S. Dollar:
 - a) Trades concluded at rates that are significantly different from other registered trades. A trade with a “significantly” different rate is considered to be a rate that is either 2.5 percent higher or lower than the average weighted exchange rate of all of the other registered trades within the calculation period.
 - b) Opposite trades that are concluded between two counterparties with similar terms and amounts.
 - c) Trades which will be considered as trades with non-marketable conditions by The National Bank.
4. Trades, that have been used in the calculation of the official exchange rate of the Georgian Lari towards the U.S. Dollar for that one previous day, when at least one trade has been done, may be used in the calculation of the official exchange rate of the Georgian Lari towards the U.S. Dollar during the calculation period, if:
 - a) The number of the trades within the trade platform during the calculation period, that is used in the calculation of the official exchange rate, according to the criteria set out in paragraph 3 of this article, is less than three (3).

Or

 - b) The total amount of the trades concluded within the trade platform during the calculation period, that is used in the calculation of the official exchange rate, according to paragraph 3 of this article, is less than 1.5 million U.S. Dollar.

5. The official exchange rate of the Georgian Lari towards other foreign currencies will be determined according to the rate on international markets or the issuer country's domestic interbank currency market on the basis of cross-currency exchange rates.
6. The list of the particular market segment for the abovementioned foreign currencies (either interbank or central bank rate), to be used in the determination of the cross-currency exchange rate will be determined by the National Bank of Georgia.
7. The sources to be used for the acquisition of exchange rates are the Reuters and Bloomberg Information systems and the corresponding web pages of central banks.
8. In the determination of cross-currency exchange rates, the latest available exchange rates shall be used.
9. Cross-currency exchange rates, the rates of foreign currencies (other than the Georgian Lari) towards the U.S. Dollar will be determined by the National Bank each business day from 14:45-15:00. In case of technical difficulties, a delay in the determination of exchange rates is allowed, as soon as the technical problems have been resolved.

Article 3. The Publication of Official Exchange Rates

1. The official exchange rates are published on the web page of the National Bank of Georgia no later than 17:00 of the calculation day. The official exchange rates are in force from the following day after the rates' publication until the enactment of new exchange rates.
2. Additionally, information about the official exchange rates may be dispersed via Reuters and Bloomberg information systems or through the mass media upon the decision of the National Bank.