



## **THE LAW OF GEORGIA ON ENTRAILS OF THE EARTH**

Entrails of the earth of Georgia on the territory of its land, territorial waters and particular economical zone is the national property of Georgia and is protected by state.

Entrails of the earth is the bared part of bark crust located below the surface of ground, under the soil stratum and bottom of waterbeds or on the surface of land, owning to modern scientific-technical facilities is available for study and usage.

Minerals-contained in entrails of the earth-are natural formations.

Minerals are cultivated, mining and exploitation of which is possible on the modern level of scientific-technical development, economically expedient and ecologically acceptable.

The purpose of the present Law is to provide rational usage of entrails of the earth and resources of minerals through taking into account naturality of potential abilities of environment.

### **Article 1.**

1. The legislation of Georgia on entrails of the earth includes the present Law and other legislative acts based on it, regulating study and usage of entrails of the earth, all kinds of minerals, natural underground vacuums, relations emerged in the process of application, protection of waste, mining and processing industries as well as constructions.
2. Relations connected with usage of atmospheric air, surface, waters, land, vegetation cover and wildlife in the process of entrails of the earth are regulated under the relevant legislation of Georgia.
3. The present Law operates on all territory of Georgia.

### **Article 2. Status of entrails of the earth of Georgia**

1. The entrails of the earth of Georgia is the state property. Any actions apparently or secretly encroached upon the right of state property on entrails of the earth and the similar transactions are invalid.
2. The spots of entrails of the earth which are given or may be given for usage are the

objects if usage of entrails of the earth.

3. Usage of entrails of the earth is paid.

### **Article 3. State fund of entrails of the earth**

1. The state fund of entrails of the earth includes entrails of the earth located on the territory of Georgia, its continental shelf, territorial waters and particular economical zone, irrespective of the fact entrails of the earth was used, is being used and will be used.

2. The President of Georgia confirms the regulations on the state fund of entrails of the earth.

### **Article 4. The groups of entrails of the earth**

Through taking into account economical importance and conjuncture entrails of the earth are divided into groups of state and local importance. The list of entrails of the earth are divided into groups of state and local importance. The list of entrails of the earth-state and local importance is confirmed by the Ministry of Environmental Protection and Natural Resources (hereinafter-Ministry) in agreement with the state department of Geology (hereinafter-Department).

### **Article 5. Title of the discoverer of objects of usage of entrails of the earth**

1. The person which discovered unknown place of deposit of industrial mineral as well as the spots of entrails of the earth, which may be used for purposes different from mining of entrails of the earth is given the title of discoverer.

2. Copyright of the person acknowledged as discoverer is determined in the order established by operative legislation.

The order giving the title of discoverer and formula of its encouragement establishes the President of Georgia in accordance with operating legislation.

### **Article 6. Usage of entrails of the earth**

1. Usage of entrails of the earth includes:

a) research of entrails of the earth;

b) extraction and processing of entrails of the earth;

c) usage of waste of mining enterprises;

d) usage of natural underground vacuum as well as construction and exploitation of underground constructions of different purposes (among them for storage out of sewage)

not related to mining of minerals;

e) gathering of geological, mineralogical, paleontological collection and exhibits of museum.

2. Entrails of the earth are given for usage only on the basis of the relevant permission (license) except the cases indicated in items 3 and 4 of the given article.

3. The license is not necessary for carrying out the works on regional geological and geophysical survey, scientific-research and other works directed towards the general research of entrails of the earth, prognostication of earthquakes and research of volcanic processes, control of regime of underground waters as well as all kinds of other activities not directed towards breaking of wholeness of entrails of the earth.

Such kind of usage of entrails of the earth in accordance with the article 23 of the present Law subjects to binding state registration.

4. The license is not necessary for local importance minerals mining by the user for everyday necessities, contraction and exploitation of underground constructions within the Frames of land plot existing in private possession.

#### **Article 7. Mountain and geological allotment**

1. The plot of entrails of the earth is given for usage as mountain or geological allotment.

2. Mountain allotment - it is the plot of entrails of the earth spatial respects determined by the license on usage of entrails of the earth within the frames of which the user of entrails of the earth is granted the right to use entrails of the earth. Mountain allotment is undivided part of license and is given automatically to the user with the license.

3. The geological allotment is the plot of entrails of the earth.

4. The plot of entrails of the earth is given as mountain allotment if the license grants the right of mining of minerals, usage of a natural underground vacuum, construction and exploitation of underground constructions not related to mining of minerals as well as making of the objects of entrails of the earth needy in particular protection.

The plot of entrails of the earth as a mountain allotment is given as well as to research of entrails of the earth and herewith directly after it-for mining of minerals.

5. Usage of entrails of the earth is prohibited outside mountain or geological allotment. Its limits are changed on the basis of allotment of new mountain and geological allotment.

6. It establishment the limits of mountain allotment is to be taken into account not only size of plot (length, largeness, depth) but also the zones of technological influence of

works which is related to usage of entrails of the earth (underground and exploitation mining works). Mountain allotment must have limitation in its depth too.

If the plot of entrails of the earth is given for mining of underground waters, the limits of mountain allotment is the zone of strict regime of sanitary protection.

7. The limits of mountain and geological allotment is established by the Ministry and Inspection on technical supervision (here in after-Inspection).

### **Article 8. Land allotment**

1. The sizes of land allotment are determined by the Ministry in agreement with the body of state regulation of usage of entrails of the earth.

2. In the case of discovery of minerals within limits of land plot existing in possession of individual person or legal entity, landowner is granted the privilege of receipt the license on usage of entrails of the earth.

3. The land allotment is an undivided constituent part of the license on usage of entrails of the earth and is given automatically with the license.

### **Article 9. License of usage of entrails of the earth**

1. License on usage of entrails of the earth is the only official document proving the right of usage of entrails of the earth.

2. License on usage of entrails of the earth is given to the user of entrails of the earth in person for which disposition of license is the prohibited.

3. Depending on types of usage of entrails of the earth the license is given:

- on research entrails of the earth;
- on mining minerals;
- on processing and usage of waste of mining and related to it branches of industry;
- on building and exploitation of natural vacuums, underground constructions not related to mining of minerals and making of entrails objects of the earth requiring special protection.

4. The license on research entrails of the earth grants the right of research entrails of the earth within the limits of relevant geological allotment only towards the directions indicated in it and grants the right of priority of getting the license on further usage of entrails of the earth on the equal terms.

5. The license on usage of waste of mining enterprises and industries related to them grants the right of usage of this waste. If the owner of license on working the deposit for some reason is unable to provide indicated type of usage of entrains of the earth, the

Ministry can give this license to another legal entity or individual person.

6. The license on usage of entrails of the earth for purposes not related to extraction of minerals (for underground storage of petroleum and gas, burial of waste of harmful substances and waste of industry, drainage of polluted waters, usage of underground natural vacuums and other necessities), grants the right of usage of plots of entrails of the earth within the limits of mountain allotment determined by the license.

To issue a license on usage of entrails of the earth for harmful substances and waste of industry as well as for letting out sewage is permitted only in particular cases in observance special requirements and terms.

7. Issuance of complex license simultaneously on different kinds of usage of entrails of the earth (research, mining and processing of minerals, waste of mining and related to it branches of industry and etc.).

8. The license on mining of minerals as well as on building and exploitation of natural vacuums and underground constructions not related to mining of minerals is given only on those plots of entrails of the earth, geological information on which was subject of state expertise on entrails of the earth with exception the case mentioned in section 10 of the given article.

9. In receipt the license simultaneously on research entrails of the earth and usage of entrails of the earth in order to mine minerals, the user of entrails of the earth can in accordance with license set to mining of entrails of the earth, till receipt the information of state expertise on entrails of the earth. The terms of following producing of information on entrails of the earth for state expertise with specification the trams of usage of entrails of the earth including taxes on usage of entrails of the earth are indicated in the terms of license.

10. Some users of entrails of the earth must carry on processing of one deposit of natural entrails of the earth according to the coordinated technological scheme excluding its irrational usage.

In such case the coordination of action of users of entrails of the earth on the basis of their negotiation may be imposed upon one of the enterprises. Indicated terms are fixed in license.

11. Within the limits of the same geological allotment may be carried out research of entrails of the earth under the different license.

12. Within the limits of mountain allotment other person's activity related to usage of entrails of the earth may be implemented only under the agreement of license owner on the basis of treaty made between them.

13. The license given out to the user of entrails of the earth confirms the terms and form

of usage of entrails of the earth, including the terms of concession. They may be added with other terms too which do not contradict operative legislation and the present Law.

14. The license comes into force from the date of its state registration.

#### **Article 10. The terms of usage of entrails of the earth**

1. Entrails of the earth are given on usage for limited term.

Usage of entrails of the earth on the purpose to research is limited by five years; on the purpose to mine of minerals or building and exploitation of underground constructions-by 20 year's term and for simultaneous research of entrails of the earth and mining of minerals-by 25 years' term.

2. Counting of term of usage of entrails of the earth is kept from the date of state registration of license.

3. The user of entrails of the earth has the privilege in extension the term of usage of entrails of the earth.

#### **Article 11. The user of entrails of the earth**

1. The user of entrails of the earth may be only employer, irrespective of property form including the legal entity and individual person of other state in order established by the legislation.

2. The users of entrails of the earth use all rights listed in license and bear responsibility on observance its terms.

#### **Article 12. The rights of usage of entrails of the earth**

1. The user of entrails of the earth is authorized: to use entrails of the earth within the limits of mountain allotment allotted for him in accordance with the license.

Within the limits of land allotment, purposes determined by the license to carry on economy in the form desirable for him if it does not contradict operative legislation;

- to use the results of one's work (including mined minerals) in order established by the legislation of Georgia and use entrails of the earth for economic and everyday necessities not related to extract of entrails of the earth;
- to use waste of minerals and of processing industry related to it, if it is not limited by the license.

Within the limits of mountain allotment allotted for him by the license to research entrails of the earth without additional license in his own charge;

- to apply for Ministry for changing the terms determined by the license in arising significant change of state;
- to use priority right in prolongation the term of license.

2. If the user of entrails of the earth is not agree with the decision on canceling, checking or limitation of right of usage of entrails of the earth, he can bear a complaint into court.

### **Article 13. Obligation of user of entrails of the earth**

The user of entrails of the earth is obliged:

- to use entrails of the earth only for the purposes determined by the license;
- to provide rational and complex usage of mineral resources, protection of environment and entrails of the earth;
- to observe strictly the rules of security of carrying on the works;
- to produce all kinds of documentation on prospected, extracted and remained supplies of minerals in entrails of the earth, the components the components contained in them as well as on other objects of usage of entrails of the earth;
- to provide storage of prospected excavations and drillholes in the condition of their further usage and useless for usage -destroy under the established order;
- to stop works on usage of entrails of the earth in discovery the object of rare scientific and esthetic values and promptly inform on this the relevant state bodies;
- to protect and in the event of necessity to put the land plots damaged in the result of usage of entrails of the earth in order established by the legislation of Georgia for safe and fit to usage.

In mining underground waters (including drainage waters) to represent the data to the Ministry and Department in established order;

- to perform the instructions of the Ministry and Inspection on protection of the earth and safety of carrying on the works.

The user of entrails of the earth in accordance with the present Law bears the responsibility right up to ending the liquidation of enterprise or its temporary closing-down.

### **Article 14. Recognition of invalid rights on usage of entrails of the earth**

The right on usage of entrails of the earth is considered as invalid:

- a) in gross violation of terms of competition or auction;
- b) in the case of refusal of the pretendent to bring payments related to giving out of license;

- c) in violation the requirements of antimonopolistic legislation of Georgia;
- d) in fact finding of illicit liberalization the terms of license on usage of entrails of the earth and conclusion of transactions in order to cut tax;
- e) in the case of giving illicit privileges to some pretendent;
- f) in violation environmental protection legislation;
- g) in the case of existence of the foundations foreseen by the legislation of Georgia.

### **Article 15. Rejection in granting the rights on usage of entrails of the earth**

The right on usage of entrails of the earth is granted:

- a) if an application on its receipt is handed with violation of the established requirements;
- b) if the declarant represented incorrect information on himself;
- c) if the declarant have represent or is unable to produce the document that he disposes or will dispose necessary financial technical possibilities for safe and effective carrying out of works;
- d) if the declarant have not produce the permission on environmental protection (ecological) activity.

### **Article 16. Limitation, forfeiture or stoppage of the right on usage of entrails of the earth**

1. The right on usage of entrails of the earth is forfeited:

in expiration an established term of license validity if the user of license is rejected the right to use entrails of the earth.

2. In temporary closing-down of mining enterprise or violation the terms of temporary closing-down which is capable of doing harm to the deposit of minerals, the Ministry can cancel the given license.

3. Usage of entrails of the earth must be limited, stopped or forfeited ahead of time in the cases of:

- a) violation of the terms determined by the legislation of Georgia or license by the user of entrails of the earth;
- b) emerge danger for life and health of people working or living in the zone of influence



of work related to usage of entrails of the earth;

c) violation of the rules (established by the operative legislation) on usage of entrails of the earth and its protection by the user of entrails of the earth;

d) arising emergency (natural calamities, military operations and other ones);

e) if the user of entrails of the earth has not set to usage of entrails of the earth in accordance with the terms and requirements established by the license;

f) liquidation of enterprise for which given the license.

4. In the case foreseen by the subsection b) of section 3 of the present article the usage of entrails of the earth must be promptly forfeited on taking the decision and the written notification is sent to the user of entrails of the earth.

5. In the cases foreseen by the subsections a, b, d, of 3 section of the given article the decision on forfeiture of right on usage of entrails of the earth is taken for expiration 3 months after written notification made by them and rejection the measures on removal of these violations.

6. In the case foreseen by subsection c) of section 3 usage of entrails of the earth must be stopped in arising the terms mentioned in this subsection.

7. In the cases mentioned in subsections a, b, c, d the decision on limitation, stoppage or forfeiture of usage of entrails of the earth takes the Ministry or the Inspection in agreement with the ministry and in other cases (subsection e, f)-the Ministry.

8. The right on usage of entrails of the earth may be forfeited ahead of time on the initiative of the user of entrails of the earth, the Ministry is informed on it not less then six months.

9. In forfeiture or temporary stoppage of right of usage entrails of the earth must be carried on full or partial temporary closing-down of enterprise on mining minerals or underground constructions of other purpose.

10. In full or partial liquidation or temporary closing down of mining works, the underground constructions and drillholes must be brought in condition safe for life and health of population, environment as well as constructions. In full liquidation must be carried on recultivated measures.

11. In liquidation or temporary closing-down of enterprise or underground constructions on mining of minerals, geological, mine surveyor or other documentation reflecting the situation in the moment of ending of work, is given to the state information fund on entrails of the earth.

12. Liquidation or temporary closing down of an entrails or underground construction on mining of fossil is considered as ended from the moment of signing the relevant act by the Inspection.

13. In forfeiture the right of usage of entrails of the earth ahead of time liquidation or temporary closing down of an entrails is carried out in order established by the operative legislation.

The expenses of liquidation or temporary closing down of an entrails are in charge of user of entrails of the earth, if usage of entrails of the earth is forfeited because of the reasons mentioned in subsections a), b), c), f) of the section 3 of the given article or on the initiative of user of entrails of the earth.

14. The expenses of temporary closing down or liquidation of an enterprise are in charge of state if usage of entrails of the earth is forfeited because of the reasons mentioned in subsection b) of section 3 of the given article, not through the fault of enterprise as well as because of the reasons mentioned in subsection d) of section 3 of the given article.

15. In the case of removal of situation or terms causing limitation or stoppage of right of usage of entrails of the earth this right may be restored fully. Herewith the period during which usage of entrails of the earth was stopped would not be included in total term of license validity, if stoppage or limitation is made not because of the user of entrails of the earth.

16. In the case in after giving the license are discovered deposits of new kinds of minerals and accompanying with it valuable components or is found difference between proved or really existed supplies of minerals or are changed other terms related to usage of entrails of the earth, must carry on state expertise of geological material or revise the terms of license including tax.

17. In the case of changing the terms related to realization of minerals, the user of a license can stop working temporarily and lay up mining enterprise for determined term or liquidate it under the agreement of Ministry.

Time of laying up is included in total term of license validity.

18. The legislation of Georgia can as well as stipulate other foundations of forfeiture, stoppage or limitation of right of usage of entrails of the earth.

19. Usage of entrails of the earth may limited or prohibited by the President of Georgia in order established by the operative legislation for purposes of national security, environmental protection, protection of the monuments of history and culture.

#### **Article 17. The order of giving a license**

1. The license on right of usage of entrails of the earth is given as a result of carrying on

the competitions and auctions.

2. Period, order and terms of carrying out of competition and auction on the concrete objects of usage of entrails of the earth is determined by the Ministry.
3. The subject interested in receipt the license on usage of entrails of the earth must apply for the Ministry with an application in which are indicated:

- type and parameters of usage of entrails of the earth;
- an address of an enterprise-declarant, its economy relations with industrial and financial partners;
- data on leadership or on owner of enterprise-declarant representing the given enterprise in giving the license;
- data on financial abilities of enterprise-declarant as well as on abilities of enterprises, involved as contractions;
- information on activity of enterprise-declarant in past including the list of states with which an enterprise had been collaborated last five years;
- proposal of enterprise-declarant related to the terms of usage of entrails of the earth;
- legal aspects of information possession on entrails of the earth;
- general information on territory of usage of entrails of the earth (geological and administrative-territorial area, building, description of agriculture and forests and etc.), brief geological description.

Preliminary agreement of landowner on the terms of usage of entrails of the earth on the purpose to use entrails of the earth.

4. In competition system the declarant meeting the terms of competition and proposing more acceptable technical decision-meeting the requirements of protection of entrails of the earth and environment (economically acceptable) is deemed as winner. In the case if only one application was brought in the competition, the license on the right of usage of entrails of the earth may be given on the basis of terms of announced competition.

The competition is not considered as taken place if none of the pretendent does not meet the raised terms. The expenditures are not returned to the participants of competition.

5. In auction system on giving of the license the pretendent meeting the terms of an auction and offering the greatest sum for receipt the right on usage of entrails of the earth (license) is considered as winner.

6. An action is carried out in the event it the projects represented equally meet terms of the competition.

#### **Article 18. License dues**

1. License dues is one time payment including in itself the expenditures on organizational

and material-technical providing of preparation of competition and auction for giving the license on usage of entrails of the earth (competition or auction dues) and collection for the right of usage of entrails of the earth.

Competition or auction dues pays every participant of competition and auction separately. The document confirming the fact of payment of this sum is produced to the Ministry for ten days before carrying out of the competition and auction.

Dues for right of usage of entrails of the earth is paid only to the winners of competition or auction and is used for compensation the projects of mountain and geological allotments, remuneration and material encouragement of the members of council of experts and collaborators of license service, material-technical equipment's and etc.

Rate and rules of payment of license dues are determined in agreement with the Ministry of finance and economy in order established by operative legislation.

2. The purpose of license dues is compensation of expenditures related to produced the license and is not subjected to taxation.

#### **Article 19. The order of license registration**

1. The license on usage of entrails of the earth is folded in two paper of state "Quality symbol",

Size 1/4; provided with the special marks provided the license from falsification. On its first page is the picture of state emblem of Georgia. Below the emblem is the inscription "Georgia". "License on usage of entrails of the earth", series of the license-,

N---. Type---, "Date of state registration of license" "---" ----- year" is given -----

indication of type and basic purpose of usage of entrails of the earth, methods of carrying out of mining works (open, underground and etc.)

On the territory (name of town, district, village, deposit of entrails of the earth) and certifies the right of its owner on usage of mountain \ geological allotment inside outline going through point NN----, marked on - to pographic plan, appended to the license on usage of entrails of the earth.

The table of listed upper X, Y, Z and lower points-H coordinate are given on the topographic plan appended to the license".

"The area of horizontal projection of mountain \geological allotment - hectares, size of mountain allotment- cubic meters".

"Land allotment related to the usage of entrails of the earth is marked on the topographic

plan appended to the license. Its area

----- hectares. The land allotment is allotted or usage of land is based on -----

name and N of entrails act of Georgia or treaty registered by the owner of land,

“Operation term of license and usage of entrails of the earth-year and expires” -----  
-year.

On the page of second license and on the part of page of third license are recorded the basic requirements on usage of entrails of the earth, on environmental protection and safety technique: in geological and other kind of research of entrails of the earth, mining and processing of minerals, exploitation of natural underground vacuums and constructions of different purposes not related to mining of minerals.

Free part of third page and forth page are fully set a side for recording the private cases up to the place of signature, additional terms of license on usage of entrails of the earth.

In lower left corner of forth page of license-the place of signature of an authorized representative of Ministry and in lower right corner- the signatures of subject-user of entrails of the that he is acquainted with the terms, of license and is obliged to perform them. Both signatures are attested with the relevant seal. The form of license is printed in printing-house and recordings in it are made by Indian ink.

The extract from the minutes of interdepartmental council of experts on consideration of the matter on giving the license and taken decision as well as the project of mountain or geological allotment is appended to the license.

2. The project of mountain and geological allotment must include itself an explanatory note and graphical material.

In explanatory note must be indicated general information on required objects of usage of entrails of the earth (geographical and administrative-territorial deposit, area, size, building, description of agriculture and forest and etc.), brief geological description (mountain and geological and hydrogeological terms, degree of geological research, data on supplies of minerals (if the license is not required in order to mine), foundation for establishment the limits of mountain, information nonadjacent (bordering) mountain spots and etc.

Graphic material must include topographic plan of surface, copies of geological (structural) maps and reserves.

In free part of topographic plan are marked the area of projection of mountain and geological allotment on horizontal surface, meaning of contour points upper-X, Y, H and

lower-H coordinate, date of filling up of the plan.

In upper right part of topographic plan is to be free place for inscription: “Appendix to license on usage of entrails of the earth (series - - N - - - - type - - - -) indivisible part of license” and for signature of plenipotentiary representative of Ministry. Analogous inscription is made on explanatory note for project of mountain or geological allotment and on the extract from minutes of interdepartmental council of experts.

The scale of topographic plan depends on sizes of painted plot, taking into account type and importance of usage of entrails of the earth.

In the project of mountain allotment of coal deposit must be hupsometric plans of all prospected stratum on a scale 1:5000 with the contours of project of mountain allotment marked on it.

The form of license on usage of entrails of the earth is filled up in one copy and is given to the subject for usage of entrails of the earth. The form of license is registered in state register, which is recorder in Ministry. All data are entered in register with Indian ink-written in the form of license.

The project of mountain or geological allotment is drawn up in two copies. One of them with the license and extract from the minutes of interdepartmental council of experts is given to the user of entrails of the earth. Another copy with the minutes of interdepartmental council of experts are stored in common state fund of information on entrails of the earth.

One copy of topographic plan which is stored in common state information fund on entrails of the earth must be made on lamsan or other analogous transparent material on which in long-term storage may be sealed stamp and seal.

#### **Article 20. The form of license**

The license has the next form:

State emblem

Georgia

License on usage of entrails of the earth

Series - - Number - - - - type - - - -

Date of state registration of license “----” ----year”

Is given-----

name of legal entity or individual person to which is given the license, data on him.  
Designation of type of usage of entrails of the earth, basic purposes and method of  
carrying out of mining works

-----

(open, underground and etc.)

----- in order-----  
-----

-----on the territory-----

-----deposit of plot-----

name of town, district, village

-----

and certifies the right of its owner on sage of plot of entrails of the earth inside the  
contour of mountain \geological allotment marked on the appendix of topographic palm  
and passing through the point NN

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The table X, Y, H upper and H lower above listed points coordinates are on topographic  
plan appended to the license. The area of mountain \geological allotment on plan-----  
-----with words

-----

cubic meters.

An amount of minerals included in mountain \geological allotment, the number of  
underground constructions and etc.

Volume of overburden rocks ----- cubic meters,

with words

coefficient of overburden-----

I. On usage of land plot related to usage of entrails of the earth

-----

name of user of entrails of the earth

“-----” -----19 year is received-----åLS-R~58GIF <“”“\*““\* DAT" of entrails of the earth makes up hectares.

with words

The term of beginning of activity foreseen by the present license”--”

19 years and its operation is ceased “-----” -----20 year.

The terms of usage of entrails of the earth:

In carrying out the works on usage of entrails of the earth by the partners

name of legal entity, individual-receiver of a license

-----  
-----

name of partner

-----

name of legal entity, individual person-receiver of a license in accordance with the term of the present license is established

The norms of mining of minerals according to years:

minimum: maximum:

-----  
-----

----- The norms of output production from mined minerals according to years.

-----  
----- For usage of entrails of the earth  
-----

name of license receiver-legal



activity, individual person

is raised in state budget in volume-----% total marked cost of production. Payment of tax for usage of entrails of the earth in state budget is carried out in the period-----  
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name of user of entrails of the earth

Tax on usage of entrails of the earth is not collected (the privilege is given)

In production the equal or much amount of kinds of production from smaller (in compare with foreseen standards) amount of minerals, tax on usage of entrails of the earth is cut at a rate established by the present license on tax of usage of entrails of the earth with the total marked cost of kinds of production of economized amount of minerals.

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name of user of entrails of the earth is obliged:

to carry out of works on the plot of entrails of the earth (given by the present license) on the basis of project drawn up and confirmed in full accordance with the term of license, plans for development of mining works, in observance of technological schemes of working and technical rules of exploitation of petroleum and technical rules of exploitation of petroleum deposit, gas and underground waters;

to implement further exploitation geological and minesurveyor works, to keep established geological, minesurveyor and technical documentation;

to take stokes of condition of supplies of minerals;

to represent the information on entrails of the earth received in the process of usage of entrails of the earth, including qualitatively new information as annual (quarterly) accounts till February 1 (till beginning of a moth following to the next quarter).

In the process of carrying out works avoid damage of minerals deposit subjected to processing.

to store and take stock of extracted, temporary not used mineral raw material and provide rational placing (location) of it and overburden rock;

to provide security of life and health of workers and population, protection of entrails of the earth, and environment, bridges and constructions, other objects from harmful influence of works on usage of entrails of the earth;

to process and confirm the plans of damage liquidation.

In the case of temporary and perpetual cessation of usage of entrails of the earth to carry out works of temporary closing down and liquidation, to bring this fact to the notice of ministry and inspection, two months earlier;

to bring in side condition (foreseen by the terms of usage of entrails of the earth) the land plots broken in relation to usage of entrails of the earth.

Without an agreement of ministry not to draw in other enterprises in usage of entrails of the earth not foreseen by the license, drawing of which as partners or contractors in the process of work may be advantageous for license owner;

the place in license for record;

the additional terms for concrete deposit;

accounted with the terms of license;

and is in change to perform:

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the minister of environmental protection

and natural resources or plenipotentiary

representative of the ministry

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signature the recipient of license-legal

entity or individual person

Signature

For making default the abovementioned obligations legal entities, individual persons (their leaders) bear criminal, administrative and other kind of responsibility in accordance with the legislation of Georgia.

## **Article 21. State management on usage of entrails of the earth**

1. United state system of management on usage of the entrails of the earth operates in Georgia on the purposes to carry out united state policy in the field of usage of entrails of the earth.

The purposes of the given system:

- providing of practical realization of state policy of relation alusage of entrails of the earth for all legal entities and individual persons;
- development of free economical relations, carry out of anfirmopolian policy in the filed of usage of entrails of the earth;
- providing of necessary guarantees for user of entrails of the earth including the foreigners and defense of their right on usage of entrails of the earth.

2. State management on usage of entrails of the earth in Georgia is implemented the ministry and within its competence-Department and Inspection.

3. State management on usage of entrails of the earth is implemented under the state program through registration, license, control and observance for usage of entrails of the earth.

### **Article 22. The tasks of state management on usage of entrails of the earth**

1. The tasks of state management on usage of entrails of the earth are complex and relational usage of entrails of the earth, protection of entrails of the earth and environment as well as state settlement of relations emerged in the process of usage of entrails of the earth, making up of the base of minerals.

2. On the purpose to implement the tasks of state management on usage of entrails of the earth is carried out:

- establishment of permissible rates of mining of different kinds of minerals;
- development of the base of raw materials of minerals;
- determination of plots which may be used for purposes different from extraction of minerals;
- determination of economical basis of usage of entrails of the earth;
- establishment of standards and norms in the field of research and projection of entrails of the earth, complex and relational usage of their resources, safety of works related to usage of entrails of the earth, control and observance on their usage.

### **Article 23. State system of registration**

1. Works on research of entrails of the earth, deposit of minerals, their supplies and resources, construction and exploitation of underground constructions as well as giving of plots of entrails of the earth such purposes, usage of which is not related with mining of minerals, all other kinds of usage of entrails of the earth is subjected to state registration and registration in state fund of information on entrails of the earth functioning attached to the department.

2. United state fund of information on entrails of the earth keeps the cadastre of all object

on usage of entrails of the earth and balance of minerals.

All user of entrails of the earth are obliged to send all information related to usage of entrails of the earth to the department. Herewith the department and all other subjects of usage of entrails of the earth are obliged free of charge to give any information (obtained by them) on entrails of the earth to united state fund in the form processed and confirmed by the ministry.

Regulations on united state fund of information on entrails of the earth are confirmed by the department.

#### **Article 24. State cadastre of entrails of the earth**

State cadstre of entrails of the earth must include mountain-technical, hydrogeological, ecological, geological, economical and other kinds of data on deposits of minerals as well as on plots of entrails of the earth which may be used for purposes different from mining of minerals as well as on all other objects of usage of entrails of the earth.

#### **Article 25. State balance of supplies of minerals**

State balance of supplies of minerals must include data on rates of supplies, quality and research of supplies of all kinds of minerals on the deposit, level of their industrial development, placing, mining, losses and established supplies as well as providing of industry with cultivated supplies.

#### **Article 26. Standards of minerals**

Standards of minerals are necessary totality for processing of entrails of the earth, based on technical-economical relations of binding requirements.

In standards must be foreseen the complex usage as basic as accompanying minerals.

#### **Article 27. Confirmation of supplies of minerals**

Supplies of researched deposits of minerals as well as the supplies discovered in addition in the process of their processing is confirmed by the state.

Interdepartmental commission on supplies and composition of this commission confirmed is confirmed by the President of Georgia.

The terms of location of deposits, the results of research, reliable data on the amount and quality of discovered supplies of minerals, technical-economical description of deposit, its standards, information on economical importance of industrial development of minerals are represented to the commissions.

Conclusion of state interdepartmental commission on supplies is the only foundation for

taking prospected supplies of minerals on state balance.

### **Article 28. Writing off of minerals from the balance of supplies**

The amount of extracted minerals on the deposit of minerals as well as supplies of minerals lost industrial must be written off from the state balance if in the process of further geological prospecting works or processing of deposit prognoses on perspectiveness have not proved.

Writing off supplies from state balance is implemented in the order established by the state interdepartmental commission on supplies.

### **Article 29. Property on information on entrails of the earth**

Information on geological structure of entrails of the earth, supplies and resources of minerals, mountain-technical terms of processing of deposit, other properties and parameters are the property of the subject on which expenses is obtained the given information.

It is permitted to sale or purchase geological or other kind of information on entrails of the earth and minerals.

The legislation of Georgia defends the right of property on geological or other information on entrails of the earth and minerals.

Giving of information included in state information fund to the legal entrails and individual persons without an agreement of proprietor of information.

### **Article 30. Organizational providing of state system of license on usage of entrails of the earth**

1. Organizational providing of state system of license on usage of entrails of the earth is implemented by the Ministry attached to which functions the interdepartmental council of experts on license.

2. The function of interdepartmental council of experts attached to ministry is consideration and appraisal of applications represented for receipt a license on usage of entrails of the earth, projects, other documents foreseen by the law, decisions taken on them, which is registered by the minutes of sitting of council.

3. Interdepartmental council of experts is staffed by the representatives of ministry and department, other agencies, scientific-research institutions and other competent persons. The regulations on interdepartmental council of experts and its personal staff is confirmed by the ministry.

4. In the composition of interdepartmental council of experts can not enter the

representatives of economic subjects-users of entrails of the earth.

5. The ministry registers, forms, forfeits, crosses off the state register the license on the basis of decision of interdepartmental council of experts.

The ministry can give the right of license of some minerals of local importance to its relevant regional services, attached to which are made up the relevant expert commissions.

### **Article 31. State observance and control on usage of entrails of the earth**

1. The basic purpose of state observance and control on entrails of the earth, their condition and usage-is to establish how the users of entrails of the earth meet the requirements of legislation on entrails of the legislation for removal the violations.

2. To the state control and observance on usage of entrails of the earth is subjected:

- an action of any user of entrails of the earth related to usage of entrails of the earth;
- any stage of research of entrails of the earth, hydrogeological, geophysical, geochemical, geocological and other works, direction, methods, all-round research of entrails of the earth;
- usage of entrails of the earth for the purposes different from mining of minerals;
- protection of entrails of the earth and rational, all-round usage of their resources;
- providing of usage of entrails of the earth and safety of works on usage of entrails of the earth;
- temporary closing down and liquidation of the objects on usage of entrails of the earth;
- observance of legality of usage of entrails of the earth and terms foreseen by the license;
- to perform the standards, some and rules of usage of entrails of the earth;
- correctness and timeliness of measures providing safety of population, protection of environment, monuments of history and culture, buildings and constructions, operating and preserved mining works and drillholes from harmful influence of work related to usage of entrails of the earth;
- prevention of penetration of petroleum, gas and other substances and materials existing in underground, drained sewage in entrails of the earth, harmful substances buried in entrails of the earth and waste of production;
- keeping of the rules of carrying out of geological and minesurveyor works in the process of exploitation of minerals deposit.

3. State control and observance on usage of entrails of the earth is implemented by the ministry.

4. State observance on safe carrying out of works related to usage of entrails of the earth

is implemented by the inspection.

### **Article 32. Rights and obligations of bodies of state management on usage of entrails of the earth**

1. The ministry is obliged:

- to give licenses on usage of entrails of the earth in established order;
- to take stock of and keep the registration on usage of entrails of the earth in united information fund of natural resources;
- to provide within its competence keeping of the rights of proprietors of information on entrails of the earth;
- to provide state control and observance on usage of entrails of the earth jointly with the inspection.

2. The department is obliged:

- to process the programs of management of geological works on purposes to accelerate sources of raw materials and minerals of Georgia;
- to provide planning of geological searching works, consolidation of sources of raw materials and minerals, to carry out special geological research for state necessities;
- to provide protection of proprietor of information included in state information funds;
- to provide implementation of state control on course of geological works jointly with the ministry;
- to provide reproduction of sources of raw materials and minerals and making up of reserve of plots of entrails of the earth, which may be used.

3. The inspection is obliged:

- to give licenses on carrying out of specific works on usage of entrails of the earth and exploitation of installation, units, machines, mechanisms, device, other equipment and materials on the objects of usage of entrails of the earth in established order;
- to carry out research of technical aspect of accidents, road accidents, catastrophes, theft, losses, to take decisions foreseen by the legislation including adoption of the relevant sanctions.

4. The ministry is authorized:

- to establish limited number of plots of entrails of the earth given to one user;
- to check any object of usage of entrails of the earth within its competence and activity of any user of entrails of the earth in Georgia at any convenient time for him;
- to generalize the practice of adoption of legislation on usage of entrails of the

earth and safety jointly with inspection, to process the proposals on development of legislation and in the case of necessity to represent them to the President of Georgia for consideration;

- to prohibit the actions jointly with the inspection involving pollution of entrails of the earth, underground and surface waters, deterioration of quality of minerals contained in entrails of the earth in carrying out of geological, mining and other works, harmful substance and materials in underground storage;
- to prohibit accumulation of productive and every day's waste on areas of waterbeds, underground waters;
- not to permit violation of norms of liquidation and temporary closing down of mining enterprises as well as underground constructions of different purposes;
- to limit or stop the right of usage of entrails of the earth in established order or reject granting of this right;
- to stop the works related to usage of entrails of the earth jointly with the inspection and impose payment of the relevant fine upon the users of entrails of the earth in the cases of violation of requirements of standards, norms and rules of usage, protection of entrails of the earth and safety of usage of entrails of the earth;
- to give binding instructions to the users of entrails of the earth and to establish the relevant terms for safe carrying out of works and removal of violations of rules and norms of protection of entrails of the earth.

In the case of necessity to test the materials and equipment used on the objects of usage of entrails of the earth, control analyses of working and natural environment.

5. The inspections is authorized:

- to prohibit on the objects of usage of entrails of the earth building without any permission;
- to check how much conform to the norms of usage of entrails of the earth and the rules of safety production and technical documentation issued by planning and constructive organizations as well as factories on making equipment, to stop their usage in the case of violation of established requirements of production;
- to check the level of knowledge of engineering-technical workmen of the relevant technological orders, norms and rules as well as instructions on labor protection;
- to examine and to give the relevant certificates to the persons which are capable to carry out blasting operations as well as supply the machines, units and other equipment used on the objects of usage of entrails of the earth.

6. The department is authorized:

- to stop geological works not corresponding to the established norms (rules, standards, requirements).

### **Article 33. Autimonopolian requirements**



1. Any actions of bodies of state management, agencies and organizations subjected to them, bodies of local management of Georgia, promoting monopolies of state persons or other legal entities and individual ones in the field of usage of entrails of the earth are prohibited.
2. Limitation of access of users of entrails of the earth to the objects of infrastructures is prohibited.
3. State monopoly on processing of determined type of minerals or separate deposit may be declared under the decision of Parliament.
4. Other antimonopolian requirements are regulated by the operating legislation of Georgia.

#### **Article 34. Tax on usage of entrails of entrails of the earth**

1. Usage of entrails of the earth is paid in Georgia. Names of tax on usage of entrails of the earth are determined in order established by the operating legislation. Form, rate and terms of payment of tax on usage of entrails of the earth are indicated in license.
2. Tax on usage of entrails of the earth is determined as the part of cost price of usage of entrails of the earth.
3. Tax on usage of entrails of the earth is collected from the date of giving the license on usage of entrails of the earth and collection is continued within the full term of operating of license.

#### **Article 35. Tax payers on usage of entrails of the earth**

Tax payers on usage of entrails of the earth are the users of entrails of the earth-legal entities and individual persons (including foreigners).

#### **Article 36. Objects of taxation**

To taxation on usage of entrails of the earth are liable:

- a) works on geological, engineering-geological research of entrails of the earth on prospecting, preliminary and detail prospecting of deposit of minerals as well as on construction of underground constructions of different purposes and their exploitation and usage of natural vacuums;
- b) mining and processing of minerals, exploitation of waste of mining enterprises and concentration of waste.

#### **Article 37. Privileges of tax on usage of entrails of the earth**

The Parliament of Georgia can in implementation the program of national importance fully or partly release the user of entrails of the earth from the payment of tax on usage of entrails of the earth.

### **Article 38. The earth and their observance**

Basic requirements for usage of entrails of the earth:

- not to permit unauthorized usage of entrails of the earth;
- to protect the objects or plots of entrails of the earth which have particular scientific and cultural importance;
- to protect the deposit of mineral from building the areas of their placing, flooding the reservoir and etc.
- To use rationally minerals and waste of mining industry;
- to protect the plots of entrails of the earth used for construction of engineering constructions related to mining of minerals, underground storages, burial of harmful substances and waste of production;
- to keep the rules established by the legislation to transfer the entrails of the earth in usage and not to permit unauthorized (without a license or outside the limits of mountain allotment allotted under the license);
- usage of entrails of the earth;
- to provide full and all-round research and protection of entrails of the earth, rational, all-round usage of their resources;
- to provide preliminary research of entrails of the earth on the purposes to receive reliable data for appraisal the supplies of minerals and establishment of description of other objects of usage of entrails of the earth;
- to carry out state expertise and state registration of supplies of minerals and plots of entrails of the earth;
- to extract from entrails of the earth as basic as accompanying minerals and provide reliable registration of their supplies;
- to protect deposits of minerals from flooding, irrigation, pollution, exhaustion and other factors deteriorating the quality of minerals, reducing productive value of deposit or complicating its development;
- to prevent harmful influence on entrails of the earth of underground storage of gas other substances, burial of harmful substances and waste of industry, letting out of sewage;
- to keep established rules of temporary closing down and liquidation of entrails on mining of minerals and underground constructions not related to mining of minerals;
- to stop unauthorized building on the areas of the objects of usage of entrails of the earth;
- to provide reliable prognostication and appraisal of influence of works related to usage of entrails of the earth, on state of environment, to take necessary measures on protection of environment and to provide safety of population.

### **Article 39. An order of building on the area of minerals deposit**

1. Planning and building of the territories of populated areas, industrial complexes, communications and other objects national economy are prohibited till it is not established that on area of building is not any deposit.

Building of areas of bedding of minerals is permitted in the case if the initiator of building pay the cost of amount of minerals to the owner of deposit subjected to writing off from balance in the result of building.

2. Usage of entrails of the earth without any permission and unauthorized billing of areas of bedding of minerals are stopped without compensation of industrial expenditures.

3. Planning and construction of populated areas, industrial complexes are permitted only on the areas where are not deposits of minerals which is certified by the conclusion of department.

### **Article 40. Protection of plots of entrails of the earth having scientific, historical, aesthetic and other cultural importance**

The places of rare (unique) geological, archaeological objects, mineral formations, meteorites as well as plots of entrails of the earth having scientific, historical, aesthetic or other cultural value in the order established by the legislation of Georgia may be given the relevant category of protected territory.

Within the frames of protected territory is prohibited any activity not foreseen by the regime of protection.

In the case of discovery of such objects of usage of entrails of the earth the user of entrails of the earth is obliged to stop works on the relevant plot and on this the ministry.

### **Article 41. Basic requirements for research entrails of the earth**

Legal entities and individual persons engaged in research of entrails of the earth are obliged to provide:

- effective research of entrails of the earth;
- establishment of geological, mountain-technical, hydrogeological and other terms of processing of deposit of minerals as well as construction and exploitation of underground constructions of different purposes;
- usage of entrails of the earth within the limits of mountain allotment allotted under the license;
- carrying out of works of full value stipulated by the license in order to research entrails of the earth and trustworthiness of its results;
- objectivity of determination of amount and quality of supplies of basic and accompanying minerals as well as components making neighboring rocks meeting

- the requirements for protection of entrails of the earth and environment;
- usage of methods on research of entrails of the earth, safe for health of human and harmless for environment which would not bring to unwarranted losses of minerals and deterioration of their quality;
- placing of rocks extracted from entrails of the earth excluding or reducing their harmful influence on environment;
- safe keeping of geological and technical documentation, samples of rocks, ores, duplicates of sample for further research of entrails of the earth, prospecting and processing of deposit as well as their possible application in the process of usage of entrails of the earth of other kind.

#### **Article 42. Basic requirements for processing the deposits of minerals**

In processing the deposits of minerals is to keep to the next requirements:

- to take exact stock of state of supplies of minerals their dynamics, changes of amount and quality and losses;
- to provide processing of deposit through implementation geological and minesurveyor works on the relevant level and keeping of necessary technical and other documentation.
- processing of deposit is not harm to other deposit; to protected supplies remained in entrails of the earth in processing deposits, to preserve and take into account extracted minerals but temporary not used;
- to develop rationally overburden rocks and provide their placing for further usage;
- in carrying out of works to provide safety for life and health of workmen and population;
- to protect entrails of the earth and other objects of environment, buildings and constructions;
- to foresee probability of damages and to process the plans of their liquidation;
- to support to ecological balance;
- to carry out processing of solid minerals, petroleum, gas as well as deposits of underground waters in accordance with confirms projects of mining enterprises, plans of carrying out of mining works and technological schemes.

#### **Article 43. Basic requirements for usage of entrails of the earth or purposes not related to mining of minerals**

1. Usage of entrails of the earth for the purposes not related to mining of minerals is carrying out in accordance with the special project confirmed under the established order.
2. In project must be stipulated rendering harmless of harmful substances and materials (on their localization in exactly established limits), prevention of their falling in mining works, on the surface of land and water objects in accordance with the requirements determined by the present Law.

Violation of requirements of the given article leads to putting a ban on works of usage of

entrails of the earth by the ministry and inspection.

#### **Article 44. Basic requirements for processing of minerals**

In processing of minerals is to provide:

- application of technological schemes providing all-round and rational usage of minerals;
- taking stock and control of amount and quality of useful components extracted from entrails of the earth on different stages of processing;
- regular research and carrying out of experimental-technological examinations of mountain and chemical property and composition of entrails of the earth for purpose of further development of technology of its processing;
- maximum usage of waste of processing (silt, waste, dust, sewage and etc.);
- cleansing of sewage for the purpose to its second usage;
- storage, taking stock of containing useful components but temporary not used waste.

#### **Article 45. Requirements for placing (burial) of harmful substances is entrails of the earth and letting out of sewage**

1. Placing (burial) of harmful substances and waste, letting out of sewage in entrails of the earth are permitted in the case of meeting of following requirements:

- liquidation or isolation of products of burial within strictly established limits provided that in the case of damage will be prevented possibility of their falling in mining works, on the surface of land and water objects;
- application of ecologically safe methods and technology providing protection of entrails of the earth and other components of environment from harmful influence;
- providing of permanent control system for state of objects of burial and environment as well as taking affective measures defense and timely notification of population in the case of damages.

2. In the case of violation of mentioned requirements of burial of harmful substance and waste, letting out of swage must be limited, stopped or prohibited by ministry or inspection.

#### **Article 46. Requirements produced for projecting, construction, reconstruction and putting into operation of the objects of usage of entrails of the earth**

1. Projecting of the objects of usage of entrails of the earth is carried out on the supposed plot of construction through taking into consideration of geological structure of entrails of the earth and other terms.

Research and usage of entrails of the earth on the purpose to process deposits of minerals,

placing of underground constructions and objects, burial of waste of production, harmful substances is implemented on the basis of confirmed projects (technological schemes).

In the project must be foreseen requirements of the present Law.

2. In projecting and putting into operation of underground constructions not related to extraction of minerals (burial of harmful substances and waste, letting out of sewage, equipment of underground gasholders and etc.) must be provided reliable isolation of rocks of adjoining objects horizons.

3. The places of location of enterprises on mining of minerals as well as placing of underground constructions not related to extraction of entrails of the earth must be agreed with the local bodies of authority and relevant bodies of state management of Georgia in accordance with the legislation of Georgia before beginning of planning works.

#### **Article 47. Requirements for safe usage of entrails of the earth**

1. Usage of entrails of the earth is permitted only in terms of providing of safety for life and health of population especially for workmen engaged in it.

2. The ministry and inspection as well as users of entrails of the earth within their competence are in charge to provide meeting of the requirements of legislation on safe carrying out of works related to usage of entrails of the earth and confirmed in established order.

Direct responsibility for safe carrying out of works related to usage of entrails of the earth is imposed on the enterprises working on development of entrails of the earth, irrespective of the fact whether they have a license or work on a contractual basis.

3. Requirements produced for safety of works related to usage of entrails of the earth:

- access to work only those persons which have special training and qualification;
- providing of engaged persons working on mountain and drillhole works with uniforms, individual and collective means of defense;
- application of methods, materials, technical and technological means;
- carrying out of normal technological cycle of works and geological, minesurveyor and other observations;
- regular control on content of dust, highly explosives and oxygen in mining works;
- elaboration and implementation of the measures to overt or decrease all the events harmful the environment to the permissible norm in usage of entrails of the earth;
- working out of the plans for prevention and liquidation dangerous and emergency situations and carrying out appropriate measures.

Learning and implementation of the rules for safe work by the workers, as well as working out the plans and taking the measures for prevention and liquidation of the

accidents.

In the event of danger for the life and health of the workers stoppage of the work, delivery of the people, to the safe place and liquidation necessary measures for implementation of danger.

In carrying out the works usage only machines, equipment and materials which satisfy the norms and rules of safety.

Accounting of explosive materials and blasting means, appropriate storage and expense of them, as well as safe usage of them.

Timely replenishment of the technical documentation foreseen by the safety rules, as well as the plans of mining works, data reflecting the limits of safe works and the measures for liquidation of the accidents.

4. Responsibility for keeping the norms and rules of safety by the exploiters of entrails of the earth is charged to the head of relevant enterprise, institution or organization. They define the circle of the persons, who are obliged to carry out control over the keeping rules and norms in structural subdepartments of enterprises, institutions and organizations.

5. The heads of the works connected with usage of entrails of the earth and other responsible persons, in the emergence of direct danger to the life or health of the workers, are obliged to stop works immediately and to ensure safe evacuation of the people, engaged in works.

If the danger threatens to the population in the zone of the influence of the works, connected with the usage of entrails of the earth, appropriate subjects exploiters of entrails of the earth are obliged to notify about the emergence of danger to the organs of state and local government and to allot the means of transportation and communication together, as well as materials, equipment, medicines and to take part in liquidate of the accidents as far as it is possible.

#### **Article 48. Liquidation and temporary closing-down of entrails in mining of minerals or underground edifices, not connected with extraction of minerals**

After the full excavation of deposit, foreseen by the project or in that case when the further processing of deposit (its part) is considered impossible on the basis of technical and economical calculations or for other reasons, the liquidation or temporal closing-down of mining enterprise shall take place. The same rule is exercised over the underground edifices not connected with mining of minerals, in the impossibility of their future exploitation, as well as in the expiration of the term of license or preterm stoppage of usage of entrails of the earth.

In liquidation of the enterprise the question of further usage of mining excavations and

borehole shall be settled for other purposes of public economy. In the case of positive settlement of the question mining excavations and boreholes must be brought in such a state that safety of the population shall be ensured in future, as well as ecological conditions, protection of buildings and in temporal closing-down - maintenance of them in working state within the period of closing down.

In the event of liquidation or temporal closing-down of mining enterprise, as well as of underground edifices, not connected with extraction of minerals, the geological, mark surveyor documentation, as well as the documentation of other kind is made by the inspection and kept under the established rules.

The measures for future safe mining works shall be implemented in the regions, adjoining to the objects subjected to liquidation or temporal closing-down.

Right up to ending of liquidation or temporal closing-down, the users of the entrails of the earth imposed full responsibility specified by the present Law.

Liquidation or temporal closing-down of the objects, named in this article is carried out and considered finished after the appropriate act is registered by the ministry.

#### **Article 49. Mining life saving service, obligations of local governing organs and users of entrails of the earth in liquidation of the accident**

1. The user of entrails of the earth is obliged to, create mining lifesaving under, the established order or on the basis of negotiations to use the service of special mining lifesaving units on the purpose to prevent or liquidate accidents at the excavations, among them emergence of open oil-gushers at the oil gas wells. The place of dislocation of this service and units is defined by the inspection.

2. The provisions of units of the units of mining lifesaving service, the prevention or liquidation of the emergence of open oil and gas gushers under the established order is approved by the President of Georgia.

3. The local governing organs and users of entrails of the earth are obliged to allot the transport, materials, equipment, means for communication, medicines and to render help of other kind in the case of accident at the enterprises mining minerals and at the underground edifices of different purposes, in order to liquidate the accident.

#### **Article 50. Responsibility for violation of the law on entrails of the earth**

1. The deals obviously or secretly connected with violation of the present Law are considered invalid.

2. The persons guilty for fulfillment of the deals indicated in paragraph 1 of this article, as well as willful usage of entrails of the earth.



Violation of the norms of usage of entrails of the earth, as well as the norms and rules of its safety.

Violation of the requirements for the protection of entrails of the earth, for environmental protection, and buildings against harmful effects, connected with the usage of entrails of the earth.

Encroachment upon the historical and cultural monuments also upon the territories of their location and zones of their protection.

Violation of the right on property on geological information.

Violation of the norms and rules of liquidation or temporal closing-down of underground edifices of different purposes and enterprises mining minerals.

Violation of the norms and rules of recultivation of the soil in the framework of land allotment.

Giving the false information to the ministry or department.

Bear the responsibility under the order established by civil, administrative and criminal legislation.

#### **Article 51. The order to solve the disputable questions**

The disputable questions connected with usage of the entrails of the earth shall be settled by the court, under the order established by the operative legislation of Georgia.

#### **Article 52. Compensation for the damage**

1. The users of entrails of the earth are obliged to compensate the damage caused by the violation of the requirement of the law on “Entrails of the Earth” under the amount and order established by the legislation of Georgia.
2. Willful usage of entrails of the earth as well willful building of the areas for the objects for usage of entrails of the earth are ceased without compensation of damage.

#### **Article 53. International treaties and agreements**

The order established by the international treaties and agreements is given priority if the rules under the international treaties and agreements differ from the present Law but not contradict the Constitution of Georgia.

**The President of Georgia Eduard Shevardnadze.**

**Tbilisi,**

**May 17, 1996.**