

Head of the Service for Accounting, Reporting and Auditing Supervision

Order № 5-3

2023 May 2

Tbilisi

On Approving Rule for Maintaining the State Registry of Accountants Providing Professional Services and the State Registry of Accounting Firms Electronically, their Structure and Design, the List of Information and the User Identification

On the basis of Article 13¹(1) and Article 20(9)(b¹) of the Law of Georgia on Accounting, Reporting and Auditing, **I order:**

Article 1. The Rule for Maintaining the State Registry of Accountants Providing Professional Services and the State Registry of Accounting Firms Electronically, their Structure and Design, the List of Information and the User Identification shall be approved in accordance with the Annex.

Article 2. This Order shall enter into force on the date of its publication and apply to legal relationships started from 13 March 2023.

Head of the Service for Accounting, Reporting and Auditing
Supervision

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Rule for Maintaining the State Registry of Accountants Providing Professional Services and the State Registry of Accounting Firms electronically, their Structure and Design, the List of Information and the User Identification Procedures

Chapter I

General Provisions

Article 1 - Scope of regulation

This Rule defines the procedures for maintaining the state registry of accountants providing professional services and the state registry of accounting firms electronically, their structure and design, the list of information and the user identification, interested parties participating in the proceedings, and their rights and obligations.

Article 2 - Definition of terms

1. For the purposes of this Rule, the terms used herein have the following meanings:

a) obliged entity – an accountant providing professional services and/or an accounting firm as defined in Article 3(1)(b.d) of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism;

b) non-resident person – a person who is not a resident;

c) continuing education - the process of raising the awareness of obliged entities in the field of facilitating the prevention of money laundering and terrorism financing in order to provide services that comply with the legislation.

d) general information - the data of the obliged entity provided for in Article 7(1) and Article 9(3) of this Rule;

e) the Law - the Law of Georgia on Accounting, Reporting and Auditing;

f) professional activities - accounting services and/or preparation of financial statements by the obliged entity;

g) accountant providing professional services - an accountant registered in the state registry of accountants who provides accounting services and/or prepares financial statements for the client;

h) the state registry of accountants providing professional services - the electronic registry that records information about accountants providing professional services;

i) registry - the state registry of accountants providing professional services and/or the state registry of accounting firms;

j) accounting firm - a legal entity registered in Georgia or a branch in Georgia of legal entity which is registered in another country, registered in the state registry of accounting firms and provides accounting services and/or prepares financial statements for the client;

j) the state registry of accounting firms - the electronic registry that records information about accounting firms;

k) the Service - Service for Accounting, Reporting and Auditing Supervision.

2. Except as provided for by paragraph 1 of this Article, for the purposes of this Rule, the terms used herein shall be defined in accordance with the Law.

Article 3 - Maintenance of registries

1. Information about the accountant providing professional services shall be recorded in the State Registry of Accountants Providing Professional Services, and information about the accounting firm shall be recorded in the State Registry of Accounting Firms.

2. Accountant who provides accounting services and/or prepares financial statements for the client and/or a legal entity registered in Georgia or a branch in Georgia of legal entity which is registered in another country, registered in the state registry of accounting firms and provides accounting services and/or prepares financial statements for the client shall register in the appropriate registry within 30 calendar days after commencing professional activities.

3. Identification of the obliged entity in the registries shall be ensured by the individual registration number of the obliged entity.

4. The obliged entity shall ensure that the data provided for in Chapters 3 and 4 of this Rule is recorded in the registry and regularly updated.

5. The information contained in the registry (including updatable data), which is not subject to public access, is used by the Service in order to check the compliance of the activities of the supervisory areas with the legislation, and for statistical analysis.

6. Registries will be added to the webpage of the Service using relevant software and automated management tools of the Service. Registries are public.

Article 4 - Powers of the Service

1. The Service shall verify the accuracy of information provided in the registry through a risk-based approach.

2. The Service shall be authorized to obtain relevant information from the obliged entity and/or other agencies/sources to verify the accuracy of information recorded in the registries. The obliged entity shall submit the requested information/documentation to the Service within a reasonable time.

3. During the investigation of compliance of the data of obliged entities with the requirements of the registry, the Service shall be entitled to make a corresponding entry in the registry.

Chapter II

Registries

Article 5 - Management of registries

1. The obliged entity shall administer its page of the registry electronically.

2. The Service shall manage registries.

Article 6 - The page of the obliged entity in the registry

The page of the accountant providing professional services in the registry contains the following tabs:

- a) general information;
- b) continuing education;
- c) entrepreneurship.

The page of the accounting firm in the registry contains the following tabs:

- a) general information;
- b) continuing education.

Chapter III

Registration in the Registry and General Information

Article 7 - Registration of accountants providing professional services in the Registry and general information

1. In order to be registered in the State Registry of Accountants Providing Professional Services, a natural person shall provide the following information:

- a) personal number;
- b) first name;
- c) last name;
- d) email address;
- e) phone number;
- f) password;
- g) date of birth;
- h) citizenship;
- i) ID card number and/or passport number;
- j) date of issue of ID card and/or passport;
- k) issuing country of ID card and/or passport;
- l) issuing authority of ID card and/or passport;
- m) gender;
- n) place of birth - country;
- o) registered address;
- p) actual address.

2. For the verification of the relevant information provided for by a natural person referred to in subparagraphs (a), (b), (c), (g) – (o) of paragraph 1 of this Article, the electronic database of the Public Service Development Agency - the Legal Entity of Public Law – shall be used.

3. When registering in the registry, the non-resident non-entrepreneur natural person shall, in addition to providing the information specified in paragraph 1 of this Article, upload a copy of the passport.

4. A non-resident non-entrepreneur natural person referred to in paragraph 3 of this Article shall upload a notarized Georgian translation of the passport.

5. The Service shall issue an individual administrative act on the registration of the person in the state registry of accountants providing professional services.

6. The Service shall be authorized not to make the information available to the public about obliged entities recorded in the registry if making the information publicly available threatens the interests of the country and/or third party. The Service shall make a decision on the evaluation, analysis and appropriateness of making the information publicly available.

7. The data referred to in subparagraphs (b) and (c) of paragraph 1 of this Article is public.

8. The data referred to in subparagraphs (d)-(e) of paragraph 1 of this Article may be made publicly available with the confirmation of the obliged entity if the “make publicly available” button is marked.

9. For authorization, the accountant providing professional services shall enter the personal number and password of the user.

Article 8 – Entrepreneurship of an accountant providing professional services

1. Accountant providing professional services, in the "Entrepreneurship" tab, indicating the dates of commencement and termination of the activity, means one of the following statuses:

- a) non-entrepreneurial natural person (resident)
- (b) non-entrepreneurial natural person (non-resident); or
- (c) individual entrepreneur.

2. The person referred to in subparagraph (c) of paragraph 1 of this article shall be authorized by means of the username and password for the website of the Electronic Services of the Revenue Service (eservices.rs.ge).

Article 9 - Registration of accounting firms in the Registry and general information

1. In order to be registered in the State Registry of Accounting Firms, the accounting firm shall first be authorized with the username and password for the website of the Electronic Services of the Revenue Service (eservices.rs.ge).

2. Registration in the registry of accounting firms shall be carried out by a person responsible for the operation of a compliance management system or a head of a structural unit.

3. When registering in the Registry of Accounting Firms the following data shall be filled in:

a) personal information of a person responsible for the operation of a compliance management system or a head of a structural unit;

- a.a) first name;
- a.b) last name;
- a.c) phone number;
- a.d) email address;
- a.e) personal number;
- b) password;

c) the data of the person responsible for the effectiveness of a compliance management system (this information shall be completed if the person is different from person referred to in subparagraph (a) of this Article):

- c.a) first name;
- c.b) last name;
- c.c) personal number;
- d) the firm's contact information:
 - d.a) the firm's actual address;
 - d.b) the firm's phone number;
 - d.c) the firm's email address;
 - d.d) the firm's website address (if available);
- e) the firm's data:
 - e.a) identification number;
 - e.b) legal form;
 - e.c) name;
 - e.d) registered address;
- f) information on the persons holding management/representative authority
 - f.a) in the case of a natural person:
 - f.a.a) first name;
 - f.a.b) last name;

- f.a.c) personal number;
- f.b) in the case of a legal entity:
 - f.b.a.) name;
 - f.b.b) identification number;
- g) information about partners:
 - g.a) in the case of a natural person:
 - g.a.a) first name;
 - g.a.b) last name;
 - g.a.c) personal number;
 - g.b) in the case of a legal entity:
 - g.b.a) name;
 - g.b.b) identification number.

4. For the verification of subparagraphs (a.a), (a.b), (a,e) and (c) of this Article, the electronic database of the Public Service Development Agency - the Legal Entity of Public Law - shall be used.

5. The data of the accounting firm referred to in paragraph 3(e)-(g) of this Article shall be filled in automatically. This data shall be collected from the unified database of the National Agency of Public Registry on the basis of protected data of entrepreneurial and non-entrepreneurial (non-commercial) legal entities in accordance with the Agreement between the Service and the National Agency of Public Registry.

6. The Service shall issue an individual administrative act on the registration of the person in the State Registry of Accounting Firms.

7. The Service shall be authorized not to make the information available to the public about obliged entities recorded in the registry if making the information publicly available threatens the interests of the country and/or third party. The Service shall make a decision on the evaluation, analysis and appropriateness of making the information publicly available.

8. The data referred to in subparagraphs (e) – (g) of paragraph 3 of this Article is public.

9. The data referred to in subparagraph (d) of paragraph 3 of this Article may be made publicly available with the confirmation of the obliged entity if the “make publicly available” button is marked.

9. For authorization, the accounting firm shall enter the personal number and password of the user.

Article 10 - Change of the user of the accounting firm

1. The user shall be authorized to cancel his/her connection with the accounting firm. In this case, registration of the new user shall be carried out in accordance with Article 9 of this Rule.

2. If unable to change the user in accordance with paragraph 1 of this Article, the user’s connection with the accounting firm may be canceled from the administration panel of the registry, by the employee of the Service, on the grounds of a written request to the Service by the person holding management/representative authority of the obliged entity.

After canceling the connection between the user and obliged entity, the person shall register as a user in accordance with paragraph 9 of this Order.

Article 11 - Changes in the tab of general information

1. In order to make changes in the tab of general information, the obliged entity shall request changes, on a reasonable basis, from the Service for changes by clicking on the “Request Change” button in the “General Information” tab.

2. The information referred to in Article 7(1)(d), (e) and (f) of this Order may be changed without the obliged entity having to request changes from the Service.

3. The information referred to in Article 9(3)(a.c) and (a.d), (b) and (d) of this Order is subject to changes without the need to request changes from the Service.

4. In the case of respective ground, the Service shall confirm the request provided for by paragraph 1 of this Article within 5 (five) business days, allowing the obliged entity to make changes in the general information.

5. The obliged entity shall update the information (including non-public information) in the registry within 10 (ten) business days from the date of occurrence of the respective changes.

Article 12 - Removing the person from the registry

1. Grounds for removing the accountant providing professional services from the registry are:

- a) personal statement if the obliged entity no longer provides professional services;
- b) registration in the registry of certified accountants;
- c) decease.

2. Grounds for removing the accounting firm from the registry:

a) statement of the person holding management/representative authority if the obliged entity no longer provides professional services;

b) registration of the auditors/audit firms in the state registry;

c) cancellation of the registration of a legal entity.

3. The Service shall issue an individual administrative act on the removal of the person from the registry.

Chapter IV

Continuing Education

Article 13 - Filling in the information in the continuing education tab

1. The accountant providing professional services shall upload the notice/certificate of continuing education in the continuing education tab.

2. The accounting firm shall upload the notice/certificate of continuing education of a person responsible for the operation of a compliance management system or a head of a structural unit in the firm in the continuing education tab.

3. When uploading the notice/certificate in the continuing education tab, the obliged entity shall fill in the following information:

- a) date of issue of the notice/certificate;
- b) name of the provider of continuing education services;
- c) number of the notice/certificate;

4. The obliged entity shall meet the requirements for continuing education and annually confirm his/her competence in this field.

5. In case of non-fulfilment of continuing education requirements due to illness or other special objective circumstances of the obliged entity/the person responsible for the operation of a compliance management system/the head of a structural unit, the obliged entity is entitled to apply to the Service on the basis of relevant documentation by clicking on the "Notice of Legitimate Reason" button and request a Notice approving the legitimate reason for failure to comply with the continuing education requirements.

Article 14 - Procedures for confirmation of continuing education

1. Within 5 (five) business days after uploading the notice/certificate of continuing education, the Service shall confirm the fact of receiving continuing education and record it accordingly in the registry.

2. In case of non-compliance of the notice/certificate of continuing education, uploaded by the obliged entity to the registry, with the requirements of continuing education in the field of facilitating the prevention of money laundering and terrorism financing", the Service shall make a decision to refuse to receive the notice/certificate within 5 (five) business days after uploading documentation.

3. Within 5 (five) business days from the provision of information on the fulfillment of the requirement of continuing education by the obliged entity, the Service shall make a decision to make it publicly available in the registry.

4. In the case of failure to comply with the requirements of continuing education due to illness or other special objective circumstances of the obliged entity/the person responsible for the operation of a compliance management system/the head of a structural unit, the Service shall consider the request for a Notice of Legitimate Reason within 5 (five) working days from the upload of the relevant documentation.

5. If the obliged entity fills in information in the continuing education tab incorrectly, the obliged entity shall be authorized to send a reasonable request to the Service for changes in the continuing education tab through the "Request Change" button.

Article 15 - Liability

Failure to comply with the requirements set out in this Rule shall result in the liability of the obliged entity as provided for by Articles 23 and 24 of the Law of Georgia on Accounting, Reporting and Auditing and by other relevant by-law normative acts.

Chapter V

Transitional and Final Provisions

Article 15. Transitional provisions

A person who performs professional services upon the entry into force of this Rule shall register in the appropriate registry no later than 1 July 2023.