**Chapter VIII**

**Regulatory Provisions**

**Article 19 – Disposal of expenditures of general state importance**

1. The Ministry of Finance of Georgia shall dispose of budgetary funds for expenditures of general state importance approved by this Law: 55 01 - service and repayment of foreign government liabilities, 55 02 - service and repayment of domestic government liabilities, 55 03 - commitments arising from cooperation with international financial organizations, 55 04 - transfers to Autonomous Republics and Municipalities, 55 09 - financial support for the issuance of simultaneous cash bonuses for Georgian state awards, 55 10 - co-financing of operating expenses and other liabilities under international agreements, 55 12 - financial support for planned reforms in municipalities in cooperation with international partners, 55 13 - donor-funded payments of general state importance.

2. Allocations made within the framework of expenditures of general state importance - 55 12 - financial support for planned reforms in municipalities in cooperation with international partners, approved by this Law shall be disposed of in accordance with the decisions of the Government of Georgia.

**Article 20 – State Budget funds of Georgia**

1. A Reserve Fund of the Government of Georgia in the amount of GEL 60,000.0 shall be established in the State Budget of Georgia to finance expenditures not provided for in the State Budget of Georgia.

2. A fund in the amount of GEL 400,000.0 shall be established in the State Budget of Georgia for the implementation of projects in the regions of Georgia, and its disposal shall be carried out in accordance with the legislation of Georgia.

3. The Government of Georgia shall approve the Rural Support Programme and the rules for its disposal within the framework of the Fund for projects to be implemented in the regions of Georgia.

4. For the purpose of financing municipal and regional projects selected in accordance with the procedure and criteria approved by the Government of Georgia, financial assistance from the Fund shall be granted to projects to be implemented in the regions of Georgia only in the case of co-financing by the municipality.

5. The Highlands Settlements Development Fund shall be determined in the amount of GEL 20,000.0 , and its disposal shall be carried out in the manner established by the legislation of Georgia.

6. Debt Settlement and Court Enforcement Fund arising in previous years shall be determined in the amount of GEL 40,000.0 , and its disposal shall be carried out in accordance with the decisions adopted by the Government of Georgia and the legislation of Georgia. The Ministry of Finance of Georgia, in the manner established by the legislation of Georgia, shall include the funds forcibly withheld from the unified state treasury account system in the allocations provided for the Debt Settlement and Court Enforcement Fund arising in previous years.

 7. The Ministry of Finance of Georgia shall submit proposals to the Prime Minister or the Government of Georgia on the allocation of funds from the Reserve Fund of the Government of Georgia and/or the Fund of projects to be implemented in the regions of Georgia on the basis of requests from budgetary organisations, municipalities and the relevant bodies of the Autonomous Republics of Abkhazia and Ajara.

**Article 21 - Co-financing of the accumulative pension scheme**

The allocations provided for by the programme code 55 11 - co-financing of the accumulative pension scheme of the expenditures of general state importance approved by this Law, shall be implemented on the basis of the Law of Georgia on Funded Pension in the manner established by the Government of Georgia.

**Article 22 – Debt settlement**

Budgetary organisations financed from the State Budget of Georgia shall be authorised to use the funds allocated to them in 2023 for the debt settlement arising in previous years, provided that there is no accumulation of new debts for which the aforementioned organisations are fully responsible.

**Article 23 – Public debt**

1. GEL 1,696,000.0 is provided in the 2023 budget for the service and repayment of foreign government liabilities:

a) for repayment of principal amount - GEL 1,170,000.0 , including:

a.a) for bilateral credits – GEL 315,475.0 ;

a.b) for multilateral credits – GEL 854,525.0 ;

b) for repayment of interest – GEL 526,000.0 , including:

b.a) for bilateral credits – GEL 86,980.0 ;

b.b) for multilateral credits – GEL 397,770.0 ;

b.c) for servicing foreign securities by the State – GEL 41,250.0 .

2. The Ministry of Finance of Georgia shall have the right, within the limits of the allocations provided for by this Law for servicing and repayment of the foreign debt, in case of the consent of the Government of the creditor country, to reimburse funds from the above funds to the legal entities of Georgia or to finance the relevant programmes of these legal entities for the sale of products and the provision of services in the account of servicing and repayment of the foreign debt to the creditor country in the manner established by an ordinance of the Government of Georgia.

3. In accordance with the Agreement on the “Amendments to the Agreement between the Government of Georgia and the National Bank of Georgia of 20 March 2006 on the Measures for Repayment of Debts of the Government of Georgia to the National Bank of Georgia”, the amount of interest payable to the National Bank of Georgia shall be set at GEL 30,000.0 and the volume of the principal amount payable - at GEL 40,000.0 .

4. In accordance with the Agreement on the “Amendments to the Agreement between the Government of Georgia and the National Bank of Georgia of 20 March 2006 on the Measures for Repayment of Debts of the Government of Georgia to the National Bank of Georgia”, GEL 120,846.0 of government bonds issued by the Government of Georgia on 15 March 2021 shall be renewed and GEL 40,000.0 of securities shall be converted into government bonds for open market operations.

5. The projected net growth rate of domestic liabilities through the issuance of treasury bills and treasury bonds shall be set at GEL 1,400,000.0 . Treasury bills and treasury bonds shall be issued by the Ministry of Finance of Georgia in accordance with the Law of Georgia on Public Debt. The Ministry of Finance of Georgia shall record the repayment of treasury bills and treasury bonds by reducing the corresponding article of budget receipts.

6. The Ministry of Finance of Georgia shall be authorized to use the free balance in the unified treasury account instead of issuing treasury bills and treasury bonds. Furthermore, the volume of net proceeds from the issuance of treasury bills and treasury bonds and the use of the free balance in the unified treasury account instead of their issuance shall not exceed the projected growth rate of domestic liabilities.

**Article 24 - Remuneration of employees in public institutions**

1. The remuneration of employees of budgetary organizations managing the State Budget of Georgia shall be determined in accordance with the Law of Georgia on Remuneration in Public Institutions.

2. In 2023, according to the Law of Georgia on Remuneration in Public Institutions, the basic official salary of an employee shall be set at GEL 1,210.

3. During 2023, persons employed in public institutions financed from the State Budget of Georgia, the budgets of the Autonomous Republic of Abkhazia, the Autonomous Republic of Ajara and municipal budgets shall receive monetary rewards, salary increments and other remuneration provided for by the legislation of Georgia, within the limits of the allocations approved by the respective budgets, in accordance with the limitations set out in Article 26(d)(e) of this Law.

4. During 2023, the allocations approved under the Article on Remuneration of the Economic Classification of Expenditures may be increased only by spending institutions financed from the State Budget of Georgia with the consent of the Government of Georgia, but not more than 1/12of the allocations approved under the same Article.

**Article 25 – Limitation of the number of persons employed on the basis of an administrative agreement and persons employed on the basis of an employment agreement in public institutions**

1. The number of persons employed on the basis of an administrative agreement in a public institution and on the basis of the legislation of Georgia, the number of persons employed on the basis of the employment agreement for fulfilling ancillary tasks shall be determined in accordance with the Law of Georgia on Remuneration in Public Institutions.

2. An exception to the limitation on the number of persons working on the basis of an employment agreement provided for in the first paragraph of this article shall be allowed in public institutions financed from the State budget of Georgia, upon agreement with the Government of Georgia, in the case of municipalities (excluding Tbilisi Municipality) - in agreement with the Sakrebulo (assembly) of a respective municipality, while for the Tbilisi Municipality and public institutions of the Autonomous Republics of Abkhazia and Ajara and– in agreement with the respective executive authority.

3. The number of persons employed on the basis of an employment contract for fulfilling temporary tasks shall require an agreement of the relevant authority defined in the second paragraph of this article if the number of persons employed on the basis of an employment agreement signed for a period of more than 30 days in a public institution exceeds 1% of the number of employees actually employed in the positions provided for in the staffing list. In a public institution, where 1% of the number of employees is less than 5 units, the number of persons employed on a basis of an employment agreement, which is more than 5 units, requires an agreement.

**Article 26 - Measures and restrictions to be implemented for adhering to the limits of macroeconomic parameters determined under the legislation of Georgia**

In accordance with the Organic Law of Georgia on Economic Freedom, for adhering to the limits of macroeconomic parameters established by this Law, as well as taking into account the powers granted on the basis of Article 1551 of the Organic Law of Georgia on Local Self-Government Code:

a) the Government of Georgia shall be authorised to suspend payments to the Ministries of Georgia within the funds provided by the State Budget of Georgia in accordance with the codes and articles of the budget classification, as well as based on the proposals of the Ministry of Finance of Georgia, in the manner established by the legislation of Georgia, to make a decision on the transfer of the allocations provided for the spending institutions under this Law to expenditures of general state importance;

b) the Government of Georgia shall be authorised to determine the codes of the classifier in accordance with the codes of the Common Procurement Vocabulary (CPV), within the framework of which the conduct of public procurement by procuring organisations shall require the prior approval of the Government of Georgia;

c) not later than 15 days after the end of each quarter, the Ministries of Georgia shall submit to the Ministry of Finance of Georgia information on the savings made as a result of the tenders conducted by them and the budgetary organizations under their control at the expense of the budgetary funds provided for them by this Law, in accordance with the Law of Georgia on Public Procurement. The issue of further use of savings generated by tenders of the Ministries of Georgia shall require an agreement with the Ministry of Finance of Georgia unless the further use of generated savings is within the same programme code, with the same code of the Common Procurement Vocabulary (CPV);

d) The Government of Georgia shall be authorized, if necessary, to restrict the granting of monetary rewards and salary increments provided for by the legislation of Georgia to persons employed in budgetary organizations, with the exception of the salary increments established on the basis of Article 1(5)(a) of the Law of Georgia on Remuneration in Public Institutions;

e) The Ministry of Finance of Georgia shall submit proposals to the Government of Georgia concerning the restrictions referred to in subparagraph (d) of this Article.

**Article 27 - Expenditure of the receipts of diplomatic missions and consular offices of Georgia abroad**

In accordance with Decree № 835 of the President of Georgia of 15 October 2010, on the Procedure for Recording and Using of Consular Fees Received by Budget-spending Entities within the System of the Ministry of Foreign Affairs of Georgia, Fees for Services Provided by Consular Officials within the Delegated Authority and Other Budgetary Receipts, consular fees received by Georgian diplomatic missions and consular offices abroad, fees for services rendered by a consular official within the scope of delegated authority and other budget revenues shall be spent on-site within the limits of allocations approved by this Law for the respective mission and institution.

**Article 28 - Funding of some measures by the Parliament of Georgia**

The Parliament of Georgia shall be entitled, in the event of the death of a Member of Parliament, to finance all funeral and cemetery arrangements within the limits of the funds allocated to it by this Law.

**Article 29 - Funding of some measures by the Ministry of Defence of Georgia**

1. The Ministry of Defence of Georgia shall be entitled to finance the works performed/goods/services rendered within the allocations provided under the Articles of Expenditures and Increase of Non-financial Assets in 2022, the continuous implementation of which is necessary to fulfil the obligations assumed by the State for developing the defence forces and increasing the defence capability, within the scope of allocations under the Articles of Expenditures and Increase in Non-financial Assets for the Ministry of Defence of Georgia, as approved by this Law.

2. In the cases determined by an individual administrative-legal act of the Minister of Defence of Georgia and within limits established by the Ministry of Defence of Georgia for goods, works and services purchased by the subdivisions (units) of the Ministry of Defence of Georgia, the structural subdivisions (units) defined by the same Act of the Minister of Defence of Georgia shall be considered as procuring organisations and shall have the rights, obligations and responsibilities provided for in the legislation of Georgia on Public Procurement.

**Article 30 – Measures to be implemented by the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia**

1. According to this Law, within the allocations approved for the Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia, individual measures to be implemented in the system of the Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia shall be extended, and if necessary, reimbursement of part of the measures shall be introduced on the principle of co-payment by the population. The Government of Georgia shall determine the procedure, form and volume of co-payment.

2. According to this Law, the rules and basic principles of financing, co-financing, and settlement of measures to be implemented within the allocations provided for the State Programmes of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia - Social Protection of the Population, Health Protection of the Population, for the subprograms of Medical and Social Examination and State Quality Control of Medicinal Products, Rehabilitation and Equipment of Medical Institutions within the framework of Regulation Program of Medical Activities, for the subprograms of Development of Employment Promotion Services, Enhancing the Professional Qualifications of Job Seekers and Promotion of Employment in Public Works under the Programme of Labour and Employment System Reform, shall be determined by the Government of Georgia, unless otherwise stipulated by the legislation of Georgia.

3. A state pension and state compensation shall be granted under the Pension Provision of the Population.

4. From 1 January 2023, the amount of the state pension shall be determined as follows:

a) for retirees under the age of 70 – GEL 295;

b) for retirees aged 70 and over – GEL 365.

5. As part of Social Assistance of Targeted Groups of the Population:

a) the social package shall be issued in accordance with the Rules and Conditions for Issuance of Social Package, approved by Ordinance №279 of the Government of Georgia dated 23 July 2012 on the Definition of a Social Package;

b) a household subsidy shall be granted in accordance with Ordinance №4 of the Government of Georgia dated 11 January 2007 on Monetization of Social Benefits;

c) Basic Procedures of the Social Assistance Programme, the Amount of a Reintegration Allowance, the Amount of an Allowance for Foster Care, the Amount of an Allowance for Family Care of a Person of Full Legal Age, the Calculation of the Amount of Social Assistance, Financing and Settlement of Measures, as well the Procedure of Financing Monthly Allowance for Internally Displaced Persons from the Occupied Territories of Georgia, Refugees and People with Humanitarian Status shall be continued in accordance with Ordinance №145 of the Government of Georgia on Social Assistance dated 28 July 2006;

d) the provision of allowances for IDPs, refugees and people with humanitarian status shall be continued: the amount of the monthly allowance for an IDP, refugee or person with humanitarian status shall be set at GEL 45;

e) the provision of allowances for pregnancy, childbirth and childcare, as well as for the adoption of a new-born child and for temporary disability, shall be continued in accordance with the procedures and conditions established by the Minister of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia;

f) assistance for compensation of damage caused to an employee's health as a result of the performance of work duties shall be financed in accordance with the procedures and conditions established by Ordinance №45 of the Government of Georgia of 1 March 2013 on Approval of the Procedures for Granting and Issuing Compensation Assistance for the Damage Caused to an Employee’s Health as a Result of the Performance of Work Duties;

g) all necessary measures related to the implementation of the measures provided for in this paragraph shall be financed;

h) other measures determined by the Government of Georgia shall be financed.

6. The Government of Georgia shall have the right to determine the 2022 State Programmes of Labour, Health and Social Affairs/their measures/volumes, the implementation of which shall continue uninterrupted from 1 January 2023 until the approval of the 2023 State programmes to be implemented in the system of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia and before identifying the suppliers provided by these programmes in accordance with the requirements of the Law of Georgia on State Procurement or taking into account the conditions of the voucher.

7. Until the approval of the measures and their components to be implemented in the system of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia within the framework of the relevant allocations provided by this Law and/or the fulfilment of the requirements of the Law of Georgia on State Procurement or the identification of the relevant suppliers in accordance with the conditions of the voucher, the measures defined by the 2022 State Programmes of Labour, Health and Social Affairs, the uninterrupted implementation of which is necessary to fulfil obligations assumed by the State shall be continued and a contract shall be signed with the same suppliers, unless otherwise determined by the legislation of Georgia. In addition, the Committee on Health Protection and Social Affairs of the Parliament of Georgia and the legal entity under public law - the State Procurement Agency shall be informed about this.

8. The works carried out in 2022 within the framework of the State Programmes of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia shall be financed from the allocations approved by this Law to the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia.

9. Vouchers issued in 2022 under State Programmes of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia (according to the terms of the relevant voucher) and the decisions made within the framework of the State Programme of Referral Services - Component of Health Care for the Population Affected by Natural Disasters, Catastrophes, Emergency Situations, Affected Citizens in the Conflict Areas and Other Cases Identified by the Government of Georgia, which could not be financed in 2022, shall be financed from the allocations provided for the relevant programmes by this Law.

10. Under the programme code "27 03 02 02 - Immunisation" approved by this Law, the purchase of vaccines, syringes, antimalarial drugs and cold chain equipment shall be carried out through the UN Children’s Fund by means of simplified procurement, while those vaccines, syringes, antimalarial drugs and cold chain equipment that cannot be purchased through the UNICEF shall be procured in accordance with the Law of Georgia on Public Procurement.

11. Under the programme code "27 03 02 06 – Management of Tuberculosis" approved by this Law, including for the measures of the programme for Sustaining Universal Access to Quality Diagnosis and Treatment of All Forms of Tuberculosis in Georgia (GEO-T-NCDC), the programme code “27 03 02 07 – Management of HIV infection/AIDS,” including the measures of the programme for Strengthening and Ensuring Sustainability of HIV/AIDS Prevention, Treatment and Care in Georgia (GEO-H-NCDC), the procurement of pharmaceuticals and other medical goods, including the procurement of first-line and second-line drugs for the treatment of HIV/AIDS and tuberculosis, shall be carried out within the allocations provided for in this Law, through the Unified International Procurement Mechanism defined by the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria and through agents, including e-procurement platforms, while the procurement of those pharmaceuticals and other medical goods that cannot be purchased through the Unified International Procurement Mechanism and agents defined by the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, shall be procured in accordance with the Law of Georgia on Public Procurement.

12. Under the Code "27 03 02 06 - Management of Tuberculosis" approved by this Law, citizens of Georgia shall receive social assistance for the duration of outpatient treatment in the manner established by the Government of Georgia to promote adherence to the tuberculosis treatment scheme.

13. A residential area legally owned by an IDP (where IDPs were resettled by the State and registered in the database of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia as an object of dense (organised) resettlement of IDPs from the occupied territories, as well as where the Ministry reimbursed the costs of administration, household and communal services (including water consumed by displaced persons, refugees and persons with humanitarian status, waste disposal, sanitation and disinfection and deratisation, other costs of services and ongoing repairs in accommodation facilities), the funding of expenses per IDP shall be set at GEL 2 per month. The above-mentioned financing shall be carried out in accordance with the contractual obligations. The terms of the agreement and the necessary documentation for its signing shall be determined by the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia.

14. Taking into account the epidemiological situation, the Government of Georgia shall be authorised to determine the conditions and rules of health and accident insurance for the relevant group of foreigners and stateless persons for the purpose of entry and/or stay in Georgia.

**Article 31 - Reimbursement of the cost of natural gas supplied to the population of highland villages of Kazbegi Municipality and Dusheti Municipality**

1. For permanent residents (subscribers) of highland villages of Kazbegi Municipality and Dusheti Municipality (Seturni, Zakatkari, Jaghiani, Bedoni, Benian-Begoni, Iukho, Muduru, Tskere, Tsikhiani, Sviana-Rostiani, Korogho, as well as those villages that have the status of highland settlements according to the legislation of Georgia) from 1 December 2022 to 15 May 2023 and from 15 October 2023 to 30 November 2023, each subscriber shall receive an allowance of 700 m3 per month (350 m3 in May and October) for natural gas consumption. In addition, subscribers shall be given the opportunity to use the unused allowance in the corresponding reporting month of the aforementioned periods in the following month, i.e. the unused allowance from 1 December 2022 may be used in the period up to and including 15 May 2023, and the granted allowance shall be cancelled on 16 May 2023, the unused allowance from 15 October 2023 shall be used up to and including 15 May 2024, and the granted allowance shall be cancelled on 16 May 2024.

2. According to the first paragraph of this article, the natural gas distribution company shall be obliged to indicate, at the beginning of each month, the corresponding limit of the allowance and the unused allowance in the relevant accounting period on the accounting cards of the subscribers benefiting from the allowance.

3. According to relevant reports submitted by the natural gas distribution company and duly certified by the boards of municipalities, the Ministry of Economy and Sustainable Development of Georgia shall compensate for the periods from 1 December 2022 to 15 May 2023 and from 15 October 2023 to 30 November 2023 the cost of natural gas actually consumed by the permanent residents (subscribers) of highland villages of Kazbegi Municipality and Dusheti Municipality (Seturni, Zakatkari, Jaghiani, Bedoni, Benian-Begoni, Iukho, Muduru, Tskere, Tsikhiani, Sviana-Rostiani, Korogho, as well as those villages that have the status of highland settlements according to the legislation of Georgia), within the limit established in the first paragraph of this article, and the unused allowance in the respective reporting period.

**Article 32 – Measures to be implemented by the Administration of the Temporary Administrative-Territorial Unit on the Territory of the Former South Ossetian Autonomous District - Administration of South Ossetia**

During the year 2023, the Head of the Administration of the Temporary Administrative-Territorial Unit on the Territory of the Former South Ossetian Autonomous District - the Head of the South Ossetian Administration shall be authorised, on the basis of his/her decision, to grant one-time assistance from the funds allocated to the Administration by this Law.

**Article 33 - Measures to be implemented by the Ministry of Justice of Georgia**

1. The Ministry of Justice of Georgia shall be entitled to finance goods and services received in 2022 under the programme code "26 02 02 - Provision of equivalent medical services to accused and convicted persons" from the allocations approved by this Law for the Ministry of Justice of Georgia.

2. The Ministry of Justice of Georgia shall be entitled, from the allocations approved by this Law, to ensure the purchase of legal services from legal companies, the relevant arbitration and court costs, the participation of witnesses and foreign experts in arbitration and court proceedings for the purpose of representing the State in connection with international arbitration disputes and cases pending before foreign courts, to purchase legal services for litigating complex cases in the European Court of Human Rights, to litigate cases of illegal movement and detention of underage Georgian citizens abroad, to return children to Georgia, and to meet the humanitarian needs of Georgian citizens, and in addition, to ensure the financing of other unforeseen expenses related to the above cases and associated taxes according to the legislation of Georgia, including the financing of obligations undertaken within the framework of agreements signed before the implementation of this Law.

**Article 34 - Measures to be implemented in connection with the operation of the General Courts of Georgia**

The number of employees determined by Article 16 of this Law for the General Courts of Georgia shall not limit the appointment of judges of the General Courts of Georgia and their related employees (assistant, referee, etc.) in accordance with the Law.

**Article 35 - Measures to be implemented by certain legal entities under public law**

1. According to Article 12(4) of the Law of Georgia on Legal Entities under Public Law, a legal entity of public law shall pay to the State Budget of Georgia at least 10% of the (own) revenues mobilized by it in 2023, as permitted by the legislation of Georgia.

2. In order to fulfil the provisions of the first paragraph of this article, on the last working day of each quarter, the relevant authority shall transfer to the State Budget of Georgia funds in the amount of at least 10% of the revenues received during the quarter as of the date of the transfer.

3. The provisions of this article shall not apply to grants received by a legal entity under public law, to revenues received by a legal entity under public law from another legal entity under public law that is part of its controlling authority, and to funds received from the State budget of Georgia for services related to the administration of COVID-19.