

APPROVED

AT THE GENERAL MEETING OF THE MEMBERS  
OF THE NOTARY CHAMBER OF GEORGIA HELD ON 27 MARCH 2010

**Notary Chamber of Georgia**

**Bylaws**

**Chapter 1. General Provisions**

**Article 1. Status of the Notary Chamber of Georgia**

1. The Notary Chamber of Georgia (hereinafter referred to as the Chamber) is a legal entity under public law based on compulsory membership, enforcing its rights and obligations independently from the state. The Chamber is accountable to the Ministry of Justice of Georgia within the scope of and in the manner prescribed by the Notary Law of Georgia and these Bylaws.
2. The Chamber has been formed in accordance with the Notary Law of Georgia.
3. Language of records management of the Chamber is Georgian.
4. The Chamber has the emblem and seal with the state coat of arms, bank accounts (including foreign currency accounts), and other details of a legal person.
5. The Chamber is domiciled in the city of Tbilisi.

**Chapter II. Membership. Membership Fee**

**Article 2. Membership**

1. All notaries appointed to this office are the members of the Chamber.
2. Notary becomes a member of the Chamber as soon as appointed to the position.
3. Membership of the Chamber ceases at releasing from the position of notary.

**Article 3. Mandatory Payments to the Notary Chamber**

1. All members of the Chamber shall pay a monthly membership fee (hereinafter referred to as the Membership Fee) in the manner prescribed by these Bylaws.
2. Rate of the membership fee is 3% of notary's total income (turnover). For the purposes of calculation and payment of the membership fee, total income means the amount gained by the notary as a notarial fee for the fulfilment of notarial actions, less the value added tax, the fee for

registration with the notary registry and the expenses paid by the party to notarial act in connection with the notarial action.

3. Amount of the membership fee is the same for all notaries;

4. Notary shall pay the membership fee on a monthly basis before the 20<sup>th</sup> day of each month following the reporting month. In case of violation of this term, notary shall pay a penalty of 0,07% of the outstanding amount together with the membership fee for each day of delay. Penalty shall be assessed during three months period.

5. Member of the Chamber shall monthly, no later than the 10th day of each month following the reporting month, pay to the Notary Chamber of Georgia the fee for registration with the notary registry in the amount established by law. In case of violation of this term, if the notary fails to pay the fee for registration with the notary registry within 5 calendar days, by decision of the Board of the Notary Chamber the notary shall have no access to the electronic register of notarial acts until the debt is fully paid up. (31.03.2012.)

6. Failure to pay the membership and/or other mandatory fee by the notary without good reason shall be the basis for taking disciplinary measures against the notary.

7. Notary, who has been terminated the authority, shall not pay the membership fee and the fee for registration with the notary registry during the period of authority termination.

8. The Chamber is authorized to inspect the accuracy of mandatory payments by the notary to the Notary Chamber and for this purpose, require relevant documents from the notary.

9. If any excess amount of the membership fee is paid by the notary, the notary shall be entitled to get back such excess amount or set off against the membership fee account for the following months.

### **Chapter III. Administration of the Chamber**

#### **Article 4. Administration of the Chamber's Activities**

1. The Chamber performs its activities by means of the General Meeting, the Board, Committees and Representative Offices of the Chamber.

2. The highest governing body of the Chamber is the General Meeting of Members of the Chamber (hereinafter referred to as the General Meeting).

3. The executive and regulatory body of the Chamber is the Board of the Notary Chamber of Georgia.

4. There are two committees formed within the Chamber: the Financial and Audit Committee and the Ethics Committee.

5. Any member of the governing bodies of the Notary Chamber may participate in the appropriate meeting by using the electronic means of direct communication if there is good reason of it, which shall be recorded in the minutes of the meeting. (31.03.2012)

6. In the case set forth in Paragraph 5 of this Article, any signature of the party to the minutes of the meeting shall be made by:

- a) Naming the person authorized by the member to sign, who personally attended the meeting;
- b) Personal signature of the participant within no later than one week after the meeting;
- c) Electronic signature. (31.03.2012)

## **Article 5. Competence of the General Meeting**

### **1. The General Meeting:**

- a) Approves the Bylaws of the Chamber and makes amendments thereto. Draft of the Bylaws and amendments thereto shall be prepared by the Board of the Chamber;
- b) Considers proposals, issues and problems associated with the operation of the notary;
- c) Approves the budget of the following year and the balance of the previous year submitted by the Board of the Chamber;
- d) Considers other issues in accordance with the Georgian legislation and these Bylaws;
- e) Approves the regulations of budgetary funds of the Chamber.

## **Article 6. Procedure for Convening General Meeting**

1. Annual General Meeting is held each year in March.

2. Extraordinary Meeting is convened:

- a) Under proposal of the Minister of Justice of Georgia;
- b) By the decision of the Board of the Chamber. Date and agenda of the meeting shall be established by the decision of the Board.
- c) At the request of one fifth of the total number of the Chamber members;
- d) In the cases and in the manner prescribed by these Bylaws.

3. The Chairman of the Board of the Chamber shall, within three calendar days from the receipt of the request for calling Extraordinary Meeting, appoint the date of such Extraordinary Meeting. The Extraordinary Meeting shall be held no later than within 30 calendar days from the receipt of such request. Furthermore, the Chairman of the Board shall place the issue on the agenda, the consideration of which has been demanded by the member initiating to convene the Extraordinary Meeting.

4. Obligation of calling the General Meeting shall be imposed on the Chairman of the Board. This latter shall convene the meeting at least 14 days prior to the meeting by serving a written notification to the member notaries of the Chamber. Notice of meeting may be sent by e-mail. Notice shall specify the date, place, time and agenda of the meeting, as well as the member initiating such meeting.

### **Article 7. Meeting Participants**

1. Notary shall participate in the proceedings of the meeting personally or by means of the representative, who shall also be the member of the Chamber. Representations shall be executed in writing. Furthermore, notary shall notify the Board of the Chamber of the reason of his/her non-attendance.
2. Notary's non-attendance at the meeting without good reason shall give rise to his/her disciplinary liability.

### **Article 8. Legal Capability of the Meeting**

1. The General Meeting is capable if more than half of the members are present personally or by representatives;
2. If the General Meeting is not capable, the Repeat Meeting shall be held on the third Saturday with the same agenda.
3. Decisions are made by simple majority of votes at the Meeting.

### **Article 9. Publicity of the Meeting**

1. The General Meeting shall be open and public.
2. If the Meeting considers the issue, disclosure of which is banned by the law, by decision of the Meeting, it or any part thereof shall be declared closed.

### **Article 10. Chairman of the Meeting. Minutes of the Meeting**

1. The Meeting shall be chaired by the notary appointed by the Meeting.
2. Minutes of the Meeting shall be drawn up by the Secretary and signed by the Chairman and the Secretary of the Meeting.
3. The Chairman of the Meeting shall submit the Minutes of the Meeting to the Minister of Justice of Georgia within 5 days from the Meeting.

### **Article 11. The Board of the Notary Chamber of Georgia**

1. The Board of the Chamber is the executive body of the General Meeting.
2. The Board is domiciled in the city of Tbilisi.
3. The Board has a representative office in the Autonomous Republic of Adjara, the budget of which is approved along with the budget of the Chamber and represents an integral part thereof.
4. The Board is authorized to form other representative offices and structural units of the Chamber in the regions of Georgia.
5. Representative office of the Chamber:

- a) Provides the storage, processing and issuance of documents maintained in the archive of the notaries, whose authority has been terminated or ceased;
- b) Provides the storage, processing and issuance of documents maintained in the archive of the notaries, who perform the functions of a notary but the part of their archives are kept with the Chamber;
- c) Upon request, furnishes the Board with information on the activities of the notaries acting within the jurisdiction of the representative office.
- d) Exercises other authorities by decision of the Board.

## **Article 12. Composition of the Board**

1. The Board of the Chamber consists of the Chairman, Deputy Chairman and 5 members, being elected for three years by the majority of votes present at the General Meeting of the Chamber through secret ballot. (31.03.2012)
2. The Chairman of the Board shall be elected according to the Notary Law of Georgia. A group of initiators consisting of at least twenty notaries is entitled to nominate candidacies for the Deputy Chairman and member of the Board. The relevant initiative along with the written consent of the named candidacy shall be submitted to the Board of the Chamber at least twenty four hours prior to the Meeting.
3. The capacity of the Board shall commence from the date of election of the Board and last for three calendar years. Besides, after expiration of this term the authority shall tacitly continue until recognition of the authority of a new Board.
4. Authority of the Board members shall terminate ahead of schedule:
  - a) If the authority of the Board member, in the capacity of a notary, has terminated or suspended; the Board member's authority shall be deemed terminated as soon as the grounds for termination arise;
  - b) In case of resignation. Written application for resignation may be submitted to the Board, or to the General Meeting. The Board member's authority shall be deemed terminated from the date of submitting an application for resignation.
  - c) By decision of the General Meeting.
5. The Chairman of the Board shall, within 45 calendar days after the Board member vacancy arises, ensure the holding of General Meeting and the election of a new member of the Board for the remaining term of the Board's office.
6. If the term of office of more than half of the Board members is terminated ahead of time, the election of the entire composition of the Board shall be held within one month period. Furthermore, the other members of the Board shall carry on exercising their authorities before recognizing the authority of new composition of the Board.

7. In special cases, when the authority of all Board members is terminated or the Board becomes completely incapable, the Minister of Justice shall, within one month period, hold new elections of the Board.

### **Article 13. Competence of the Board**

#### 1. The Board of the Chamber:

- a) Represents the Georgian notariate, protects legitimate interests of the Georgian notariate and each notary at all bodies of public authority and in the courts;
- b) If legal proceedings are initiated against one or more notaries (being entitled to individually protect their rights) on the basis of breach of the Notary Law or related legislation, the Board is authorized to engage in the trial independently, or engage in the trial initiated by the notary;
- c) Prepares its points of view and suggestions about the operation of notaries and submits them to the Minister of Justice of Georgia;
- d) For the purposes of successful operation of notaries, studies the issues related to insurance, the Chamber funds, etc.;
- e) Takes care of improving the quality of professional training of notaries and for this purpose, organizes seminars, conferences, colloquiums and similar events;
- f) Protects professional dignity of notaries;
- g) Prepares a draft of notarial tariffs. Supervises over the accuracy of enforcing payment for notary services by the notary in the manner prescribed by legislation;
- h) Develops the code of ethics and norms of deontology for notaries and submits them to the General Meeting of the Notary Chamber for approval. (31.03.2012)
- i) At its own initiative, or at the request of competent bodies, expresses its views on the draft legal acts;
- j) Maintains personal files of all Georgian notaries, where all information about their activities (including the results of inspection of notaries' activities and disciplinary punishments imposed thereon) is recorded.
- k) Approves the regulations of the Board staff;
- l) Develops the rules of internship and submits them to the Minister of Justice for approval;
- m) Provides controls over the operation of the representative office of the Chamber in the Autonomous Republic of Adjara and other representative offices.
- n) Performs other functions as prescribed by these Bylaws and the applicable laws of Georgia.

### **Article 14. Chairman of the Board**

1. The Chairman represents the Georgian notariate and the Board within the country and in international relations, chairs the Board meetings, executes decisions of the General Meeting and the Board, and performs all other activities associated with the functions of the Board.
2. In special cases, when it is impossible to convene Extraordinary Meeting of the Board and the delay may cause damage to the interests of the notariate, the Chairman is authorized to fulfil the functions of the Board and make relevant decisions.
3. In the absence of the Chairman, his/her functions shall be fulfilled by the Deputy Chairman;
4. In the absence of the Deputy Chairman, his/her functions shall be fulfilled by the eldest member of the Board.
5. The Chairman gives orders within the scope of his/her competence.

### **Article 15. Meeting of the Board**

1. Meeting of the Board shall be held at least once a month.
2. Meeting of the Board shall be convened by the Chairman in writing at least 5 days prior to the meeting.
3. If the Chairman considers that the issues are necessary to be discussed immediately, he/she is entitled to convene the meeting, without observing the period stated in Paragraph 2 of this Article, via e-mail, fax, telegram or other means of communication;
4. The Board members shall attend the Board meetings. Non-attendance at the meeting without a good reason is a minor disciplinary infraction. Any member failing to attend the meeting three times successively without a good reason shall be tacitly terminated authority to be the Board member.
5. The Board meeting shall be capable if at least half of the members are present thereat. Decisions shall be made by the simple majority of votes present. In the event that voting is equally divided, the Chairman shall have a casting vote.
6. Minutes shall be drawn up on the meeting and its decisions, and be signed by all members of the Board who attended the meeting (15.06.2010).

### **Article 16. Executive Director**

1. In order to ensure the current administrative-economic functions of the Notary Chamber, the Board of the Chamber may appoint an Executive Director.
2. The Executive Director shall:

- a) Manage the activities of the Chamber staff;
- b) Under written assignment of the Board, carry out the financial-economic activity of the Chamber according to the approved cost estimates and resolutions of the Board, and for this purpose, represent the Notary Chamber before administrative bodies, physical and legal persons;
- c) Be responsible for the protection and issuance of public information maintained with the Notary Chamber to any interested party in line with legislation;
- d) Exercise other rights assigned by the Board.

3. The Executive Director shall be accountable and responsible to the Board of the Chamber. The Executive Director shall be responsible for the damage caused to the Chamber due to the excess of powers, non- or improper performance of obligations imposed.

4. When regulating the relations between the Notary Chamber and the Executive Director, the norms of assignment agreement shall be applied.

#### **Article 17. Accountability to the Minister of Justice**

The Board of the Chamber shall, no later than the first week of March of each year, submit a written annual report on the activities of the Board to the Minister of Justice and provide views on the problems associated with the functioning of the notariate, the disciplinary practices, and the proposals, implementation of which is necessary for improving the quality of the notariate operation.

### **Chapter IV. Commitment of the Chamber Management. Complaints**

#### **Article 18. Executing Functions by the Chamber Bodies**

Any notary elected within the bodies of the Notary Chamber of Georgia shall perform his/her functions without remuneration. At the same time, the Board is authorized to pay for the dead time to any notary elected within the bodies of the Notary Chamber from the Board funds.  
(15.06.2010)

#### **Article 19. Notary's Complaints**

Notary is authorized to appeal any decision made by the Board of the Notary Chamber to the court.



## **Chapter V. Financial and Audit Committee of the Notary Chamber of Georgia**

### **Article 20. Functions of the Committee**

Financial and Audit Committee is a controlling body of the Notary Chamber, which inspects the legality of financial and accounting activities of the Board of the Chamber.

### **Article 21. Procedure for Election and Composition of the Committee**

1. The Committee is elected by the General Meeting of the Chamber for the three-year term.
2. The Committee consists of five members. A group of initiators consisting of at least ten notaries is authorized to nominate the candidacy for the member of the Committee. The relevant initiative along with the written consent of the named candidacy shall be submitted to the Board of the Chamber at least twenty four hours prior to the meeting.
3. The Committee elects the chairman and a deputy chairman from among its members for the term of office of the Committee.
4. The member of the Committee shall not be the member of any other body of the Chamber.
5. The General Meeting is authorized to recall any member of the Committee ahead of time or dismiss the entire composition of the Audit Committee if it fails to duly fulfil its obligations.
6. The member of the Committee is authorized to resign.

### **Article 22. Termination of Committee Members' Authorities**

1. Authorities of the Committee member shall terminate ahead of schedule:
  - a) If the authority of the Board member, in the capacity of a notary, has terminated or suspended; the Committee member's authority shall be deemed terminated as soon as the grounds for termination arise;
  - b) In case of resignation. Written application for resignation may be submitted to the Board, or to the General Meeting. The Committee member's authority shall be deemed terminated from the date of submitting an application for resignation.
  - c) By decision of the General Meeting.
2. The Committee member vacancy shall be filled at the following General Meeting. A new member of the Committee shall be elected for the remaining term of the Committee's office.
3. If the term of office of more than half of the Committee members is terminated ahead of time, the election of the entire composition of the Board shall be held within 30-day period. Furthermore, the other members of the Committee shall carry on exercising their authorities before recognizing the authority of new composition of the Committee.

4. In special cases, when the authority of all Committee members is terminated or the Committee becomes completely incapable, the Chairman of the Board of the Chamber shall, within 30-day period, hold new elections of the Committee.

### **Article 23. Obligations of the Committee**

The Audit Committee shall on a monthly basis inspect the legality of financial-economic activities of the Board and the Chairman of the Board of the Chamber, and the compliance with the cost estimates (budget) established by the General Meeting.

### **Article 24. Procedure and Form of Audit**

1. The Audit Committee may ask for any documents related to the activities of the Board of the Chamber, including any financial-accounting documentation, and demand explanations from the members of the Board, as well as the staff employees of the Chamber.

2. If necessary, the Audit Committee may invite a specialist (auditor). Remuneration of the specialist shall be made at the expense of the Chamber within reasonable limits.

### **Article 25. Obligation of the Board**

1. The Board of the Chamber shall create working conditions for the Financial and Audit Committee.

### **Article 26. Audit Committee's Rules of Work**

1. Meetings of the Audit Committee shall be held at least once a month.

2. Extraordinary Meeting of Audit Committee shall be convened by the Chairman of the Committee on its initiative or at the written request of at least two members. The Chairman of the Committee shall convene a meeting no later than within 3 days from submitting a request. If the Chairman fails to convene a meeting within the period set forth in this Article, the Committee is authorized to convene and hold a meeting on his own initiative.

### **Article 27. Decision-making Procedure**

1. The Audit Committee shall be capable if at least three members are present thereat. Representation is not allowed.

2. Decisions are made by the majority of votes.

3. The Committee shall forward the copies of its decisions to the Board of the Chamber.

### **Article 28. Accountability of the Audit Committee**

1. The Auditing Committee is accountable only to the General Meeting.
2. The Audit Committee shall submit its report to the Annual General Meeting. In addition, the Audit Committee shall prepare an annual report within the term as to enable the notaries to familiarize with the report in advance.

## **Chapter VI. Ethics Committee**

### **Article 29. Function of the Committee**

Function of the Ethics Committee is to discuss the issues associated with the violation of the requirements of the Code of Discipline and the Code of Ethics falling within the competence of the Chamber.

### **Article 30. Composition of the Committee**

1. The Ethics Committee composed of five members shall be elected by the General Meeting for the period of three years. A group of initiators consisting of at least ten notaries is authorized to nominate the candidacy for the member of the Committee. The relevant initiative along with the written consent of the named candidacy shall be submitted to the Board of the Chamber at least twenty four hours prior to the meeting.
2. The issues associated with early termination of authority and election of the members of the Ethics Committee shall be governed by the norms prescribed by these Bylaws for the Financial and Audit Committee.

### **Article 31. Competence of the Committee**

The Ethics Committee's competence and rules of work shall be established by the Regulations on Disciplinary Liability of Notaries.

## **Chapter VII. Cost Estimates (Budget) of the Notary Chamber of Georgia**

### **Article 32. Sources of Formation of the Chamber Budget**

1. Budget of the Chamber shall be formed by the following revenues:

- a) Mandatory membership fee of notaries;
- b) Fee for registration with the notary registry;
- c) Contributions;
- d) Grants and other donations;
- e) Incomes gained as a result of economic activity of the Chamber.
- f) Other revenues, which are not prohibited by the laws of Georgia.

### **Article 33. Annual Budget**

1. Annual incomes and expenses of the Chamber shall be recorded in the annual budget.
2. Draft of the annual budget shall be prepared by the Board of the Chamber. The Board shall along with the notice of meeting forward the draft of the annual budget to notaries.

### **Article 34. Main Criterion for Determining the Amount of Revenue**

The approximate amount of revenue shall be necessarily recorded in the annual budget. Main criterion for determining the approximate amount of revenue is the amount gained as a result of the notaries' mandatory payments.

### **Article 35. Deficit-free Budget**

The amount of planned budget expenditures shall not exceed the amount of income received by the Chamber in previous year.

### **Article 36. Purpose of Expenditure**

The purpose of expenses is to ensure the development of the notariate sector and the enforcement of professional ethical standards.

### **Article 37. Mandatory Expenditure**

1. It is required to finance the following expenditures:
  - a) Expenses of the Chamber office and the Chamber staff:

- Communication expenses;
- Administrative expenses;
- Utility bills;
- Remuneration of the personnel hired by the Chamber;

- b) Expenses borne for organizing regular seminars for raising notaries' qualification;
- c) Expenses for completion and maintenance of law library and notary archive of the Chamber;
- d) Expenses for formation of the Notary Solidarity Fund;
- e) Expenses for formation of the Pension Fund;
- f) Business travel expenses;
- g) Board Fund. Money from the Board Fund may be spent only for the purposes set forth in Sub-paragraphs "a"-“f” of Paragraph 1 of this Article and those established by these Bylaws.

2. 1/3 (one third) of the amounts paid by the notaries to the Notary Chamber as a membership fee shall be directed to the Pension Fund of the Chamber budget and spent for developing the private pension scheme of notaries (15.06.2010).

3. The procedure for spending amounts from the Solidarity Fund of Notaries and the Board Fund shall be determined by relevant regulations approved by the General Meeting.

4. If necessary, by substantiated decision of the Board, in order to achieve the goals of the Chamber, the amounts of various articles may be distributed.

5. By substantiated decision of the Board, in order to achieve the goals of the Chamber, more money for a month than foreseen within the scope of one article may be spent, provided that the total annual amount of expenses do not exceed the annual expenses set forth in such article of the budget.

### **Article 38. Windfall Profits**

Income, gaining of which was not planned under the budget, shall be transferred to the Board Fund and spent in the manner prescribed by these Bylaws.

### **Article 39. Procedure for Spending Grants**

The grant funds shall be spent in accordance with the project estimate.

#### **Article 40. Budget Approval**

1. The budget is approved by the General Meeting no later than April 1 of the new budget year.
2. Before approving the budget, expenses shall be financed within the frames not exceeding the amount established by the previous year budget.

#### **Article 41. Approval of Budget Execution**

1. The Board shall annually submit the report on annual budget execution to the General Meeting.
2. The Board shall forward the report to the notaries at least two weeks prior to the Meeting

#### **Article 42. Responsibilities of the Board**

The Board members shall be responsible for spending the money for its unintended purpose.

### **Chapter VIII. State Control**

#### **Article 43. State Control Procedure**

Control over the activities of the Chamber shall be performed by the Ministry of Justice in the manner prescribed by legislation.

### **Chapter IX. Transitional and Final Provisions**

#### **Article 44. Signing of By-laws**

These Bylaws shall be signed by the Chairman of the Board and the Secretary of the Meeting, both being responsible for the identity of the texts of the Bylaws approved by the Meeting and the Bylaws signed.

#### **Article 45. Entry into Force**

These Bylaws shall come into force on April 1, 2010.

**Chairman of the Board**

**Secretary of the Meeting**