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Government tightens restrictions as PM tests positive for Coronavirus



The Prime Minister of Georgia chaired the meeting of the Coordination Council remotely.

BY NATALIA KOCHIASHVILI

According to the Georgian government, Prime Minister Giorgi Gakharia tested positive for Coronavirus on November 2; According to the administration, the PM is feeling well and will continue his treatment at home.

The PM chaired the meeting of the Coordination Council remotely yesterday. According to the decision of the Interagency Coordination Council, wearing a facemask became mandatory even in the open space; The Council meeting reiterated that facemask is recognized worldwide "as one of the best means of slowing down the spread of the virus."

Due to the increased risk of spreading the infection, the restriction, which applied to restaurants operating in Tbilisi, Mtskheta Municipality, Kutaisi, and Batumi, will apply throughout Georgia and all restaurants will close at 22:00.

To reduce mobility in big cities, distance learning will continue until November 25 in 10 major cities Tbilisi, Kutaisi, Rustavi, Telavi, Zugdidi, Zestaponi, Gori, Poti, Marneuli, and Gardabani schools. Higher

education institutions, vocational schools, and kindergartens continue to work in the same mode as before.

By the time of the meeting, 1,943 newly confirmed cases of Coronavirus infection had been identified, with 1,833 recoveries and 20 people deaths.

The members of the Council spoke about the growing dynamics of the number of cases in the world, as well as the current epidemiological situation in Georgia and the country's strategy, which involves the use of point and local approaches instead of systemic restrictions during the adap-

tation and management phase.

The Coordinating Council also discussed the situation in the clinics and the work of the primary health care unit. It was noted that family physicians from insurance companies are also involved in the management of patients in stable con-

ditions, who continue treatment at home. According to the Ministry of Health, the Central Online Clinic is effective and systematically monitors the homes of patients and people in contact with those in self-isolation, and in case of aggravation of the situation, provides the appropriate response. As Minister Ekaterine Tikaradze noted, more than 33,000 cases have been handled since the launch of the Central Online Clinic. The Online Clinic cooperates with doctors, junior doctors, residents, and operators who have already undergone special training.

Health Minister Ekaterine Tikaradze stated that oxygen concentrates have been provided in a few hotels in Adjara where patients are undergoing treatment. She added that the practice will be introduced in Tbilisi as well.



Starting today, refusing to wear a mask in open spaces will be subjected to a ₾ 20 fine.

Court increases bail imposed on Nika Melia to ₾ 70,000



Three days ago, Nika Melia publicly removed the bracelet, which was fastened at the request of the prosecutor's office.

BY NATALIA KOCHIASHVILI

Tbilisi City Court has discussed the issue of tightening the measure of restraint against Nika Melia, a Chairman of the United National Movement political council.

The court partially granted the motion of the Prosecutor's Office and increased the amount of bail imposed on Nika Melia as a measure of restraint to ₾ 70,000 instead of ₾ 100,000. The judge explained that the mentioned amount includes the previous bail - ₾ 30 000.

As an additional measure,

Melia was forbidden to leave the state border of Georgia without prior notification and consent of the prosecution.

According to the judge's decision, the additional obligations applied to Melia last year were canceled. According to the judge, Melia knew that he was violating the rules of electronic monitoring. Melia was not present at the trial.

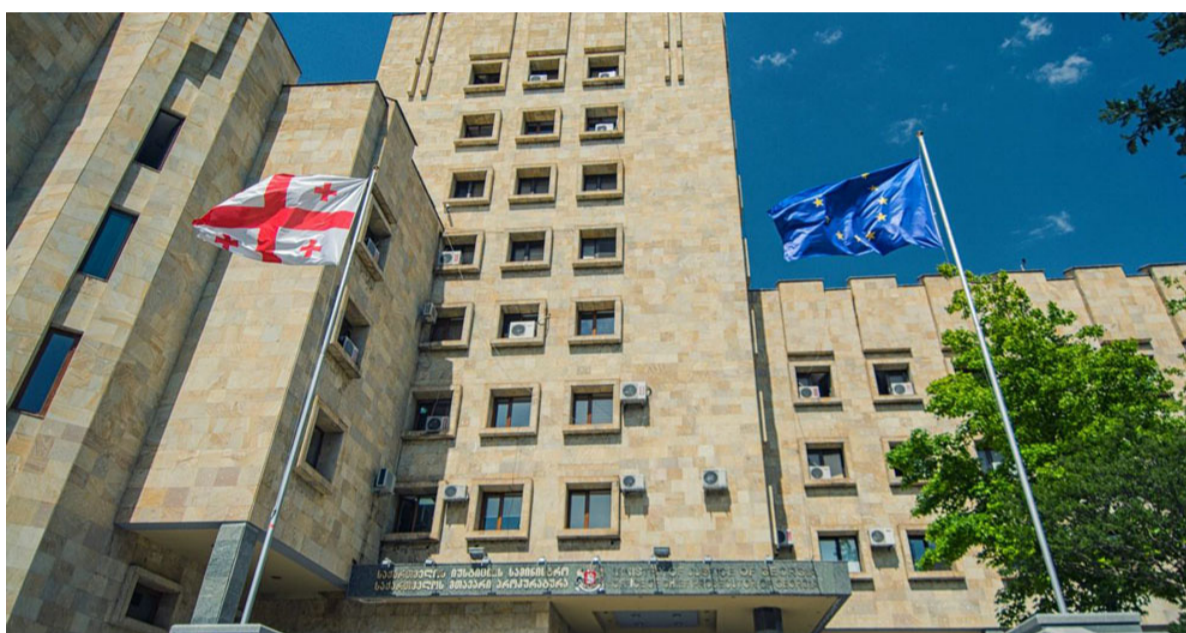
The Prosecutor General's Office has charged Melia with organizing, directing and participating in the June 20, 2019 events under Article 225 of the Criminal Code of Georgia. Melia

is accused of 'gang violence' from June 20. Last year, he was sentenced to ₾ 30,000 bail by the court, banned from leaving home without informing the investigating authority, and from making public statements at a public gathering place. He was also deprived of his passport and ID card. On July 3, 2019, Melia was given an electronic bracelet, which he removed at a rally organized by the opposition on November 1st, after the parliamentary elections. The Prosecutor General's Office then appealed to the court to tighten the restraining order against Melia as a sanction for the removed electronic bracelet.

According to Melia's lawyer,

the prosecutor's office was actually demanding a lighter sentence. "Because of disobedience, the prosecution should have demanded a more severe measure of restraint from the court, such as imprisonment."

Nika Melia and his party, the United National Movement, along with other opposition parties, are relinquishing their official mandates in the 2020 parliamentary elections and are calling for re-election. Melia removed his electronic bracelet and threw it to a crowd gathered in front of the parliament building to protest: "I am not going to wear this bracelet anymore. It is a symbol of injustice, it is a violent bracelet."



Prosecution demanded return of confiscated rights to Melia in exchange for ₾ 100,000 bail.

BY LIZA NORWICH-GERWIK

Tamar Zhvania, Chairwoman of the Central Election Commission (CEC) states that she will resign from post if any of the election results are not counted correctly or responded to properly. Also, the runoff voting will be held as scheduled, the CEC chairperson told *Rustavi 2* reporters.

She said she would resign if voting results prove to be inaccurate.

"I will decide to resign if there is no response to any of the consequences as needed. I am saying this with full responsibility,"

CEC chairperson says she will resign if votes prove to be inaccurate



stated Zhvania.

The CEC Chairperson told the media that it's wrong for political parties to question the results of elections for their political reasons and benefits, adding that election results will be published for the public to see and only after they should discuss her resignation.

Tamar Zhvania announced that the second round of elections will be held in any case.

"There is no official procedure for canceling a candidacy. In any case, the first and second place candidates, based on the official results, which will be summarized in the majoritarian party on the 11th day, will be on the ballot," Tamar Zhvania said.

According to Zhvania, Georgian citizens are waiting for their representatives in the parliament.

Weather

Wednesday, November 4

Day Overcast

High: 18°C

Night Mostly Cloudy

Low: 11°C

Thursday, November 5

Day Mostly Cloudy

High: 20°C

Night Showers

Low: 13°C

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Exchange Rates: US Dollar - 3.2988; Euro - 3.8586; GBP - 4.2848; 100 Russian Ruble - 4.1408; Swiss Franc - 3.6017

By NATALIA KOCHIASHVILI

Georgian Lari depreciates further against US Dollar by 5 Tetris

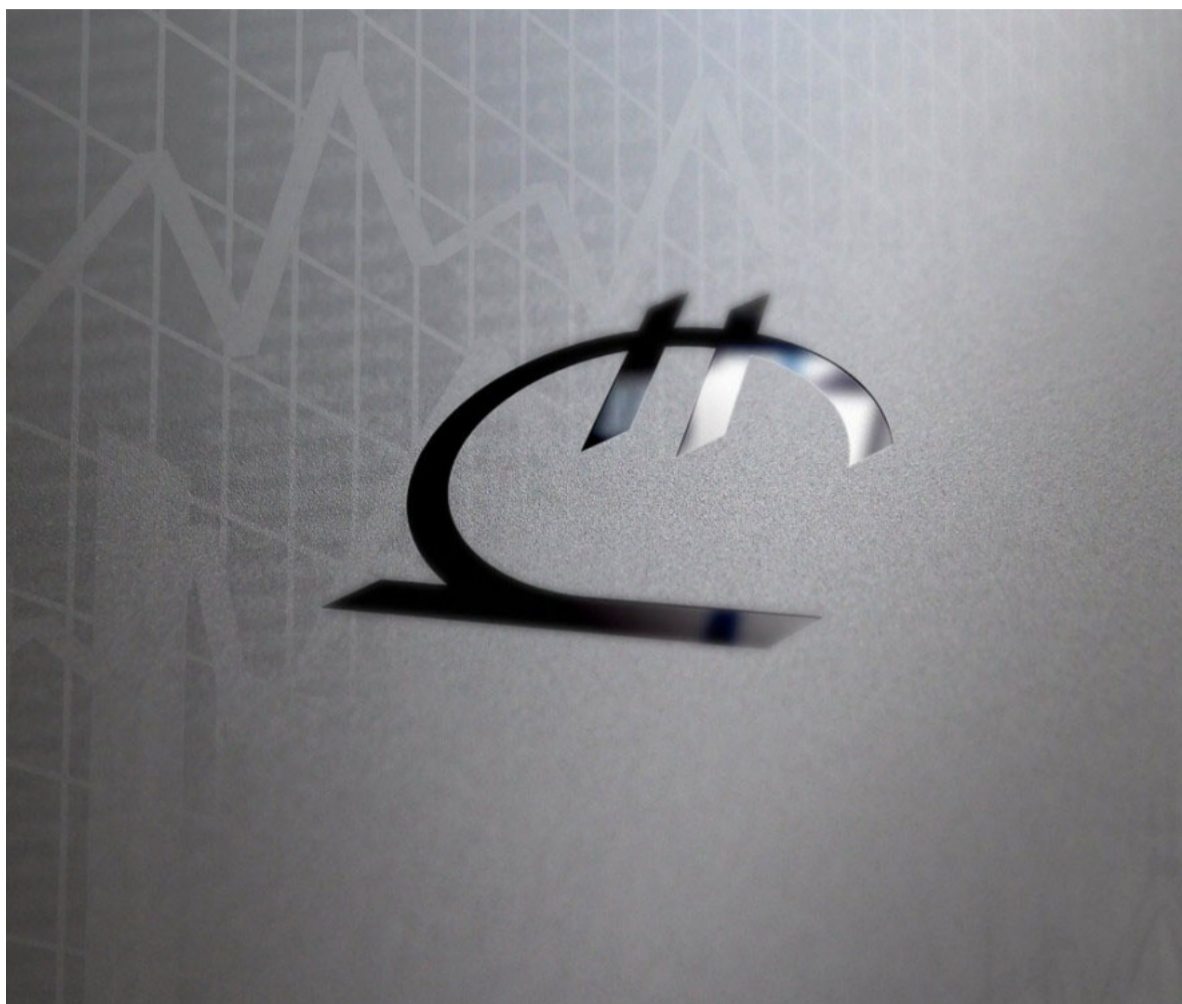
As a result of trading on November 3, the national currency depreciated by 5 Tetris against the US dollar, resulting in the value of one dollar representing ₾ 3.2988- the maximum price of the dollar in the last month. The depreciation against the Euro was sharper, reaching 8.25 tetri. As a result, the value of one Euro increased to ₾ 3.8586.

The lari depreciated by 9.49 tetri against the British pound sterling, resulting in the value of one pound becoming ₾ 4.2848.

The Georgian Central Bank carried out the largest foreign exchange intervention in 2020 on November 2. National Bank of Georgia sold \$ 60 million during its Foreign Exchange Auction. The average weighted bid rate was 3.2439. In total, 21 foreign exchange interventions took place during 2020, resulting in \$ 710 million in sales.

Lari slightly appreciated against the US Dollar and Euro at the beginning of October, remaining relatively stable throughout the month amid the central bank's regular interventions, with USD 260 sold.

Lari was being traded at 3.2327 against the US Dollar and 3.7732 against the Euro a day earlier. Two weeks earlier, on October 20, it stood at 3.2117 per



Georgian national currency fell to 3.2988 against the US Dollar and 3.8586 against Euro on November 3.

US Dollar and 3.7763 per Euro.

The significant depreciation started in mid-March amid COVID-19 related measures, but in late May, it regained ground since the Government gradually lifted the restrictions. In September, after three months of relative stability, it started depreciating again. On September 26, Lari stood at 3.3332 per US Dollar.

Besides foreign exchange interventions, on November 3, the Ministry of Finance of Georgia sold ₾ 90 million worth of bonds at the treasury securities auctions.

The Ministry of Finance of Georgia reported that it issued Benchmark Bonds with a nominal value of ₾ 70 million and maturity of 2 years on Treasury Securities Auction N46. Three commercial banks participated in the auction, with total demand amounting to ₾ 128 620 000. The following interest rates were reported: A minimum rate of 8.100%, a maximum rate of 8.200%, and a weighted average rate yielded 8.171%.

The Ministry also issued 6-month Treasury Bills with a nominal value of ₾ 20 million. 4 commercial banks participated in the auction, with total demand equaling to ₾ 35 million. The minimum interest rate stood at 8.110%, the maximum at 8.150%, while the weighted average rate yielded 8.147%.

Anti-money laundering: Georgia should step up using financial intelligence, put more focus on higher risk non-financial sectors

Strasbourg, 02.11.2020 – In a report published today, the Council of Europe's anti-money laundering body MONEYVAL calls on the Georgian authorities to strengthen the practical application of their measures to combat money laundering and financing of terrorism. It calls for making more efforts to use financial intelligence to detect and investigate money laundering, as well as for strengthening the supervision and regulation focusing on the high-risk non-financial sectors, especially casinos.

The report assesses the effectiveness of Georgia's system for countering money laundering and financing of terrorism system and its level of compliance with Recommendations issued in 2012 by the Financial Action Task Force (FATF).

Today's report acknowledges that Georgia displays a fair understanding of many of its money laundering (ML) and terrorism financing (TF) risks. Shortcomings exist regarding identification, in-depth analysis and understanding of some threats, vulnerabilities and risks. Notably, the understanding of risks needs to be developed further in the following areas: use of cash in the economy; the real estate sector; trade-based money laundering and terrorism financing (including in free industrial zones of Georgia); the

activities of legal persons; and the use of non-profit organisations (NPOs). The existing exemptions from the application of the FATF Recommendations by a number of sectors are either not supported by a risk assessment or are not in line with the results of the National Risk Assessment (NRA); besides, they do not occur in strictly limited and justified circumstances.

Generally, proactive dissemination of intelligence by the Financial Monitoring Service is an important source for initiating investigation of ML/TF. Nevertheless, in Georgia there are important limitations in place on the financial intelligence that can be obtained upon request from the Financial Monitoring Service by law enforcement authorities, when investigating ML, and associated predicate offences.

When a potential case of money laundering is detected, it is investigated effectively using a range of investigative techniques, principally by the AML Division of the General Prosecutor's Office (GPO), the report notes. There have been some successful cases involving high-asset values and complex factors. However, potential ML cases are not sufficiently detected, and the overall number of investigations is modest compared to the level of predicate criminality in the country.

The cases that have been taken forward from the investigation to the prosecution stage target only in part the prevailing criminal trends and threats.

As there are no legal or structural impediments to taking forward prosecutions of money-laundering cases, Georgia has achieved convictions for all types of money laundering. However, there is low number of convictions involving complex ML cases and legal persons.

Fighting terrorism financing is well integrated into counter-terrorism strategies and investigations, and Georgia makes effective use of alternative penalising measures when it is not practicable to secure a TF conviction. Once detected, TF is generally investigated and prosecuted quite effectively using a range of investigative techniques. There have been two TF prosecutions, involving different types of TF activity resulting in multiple convictions.

Georgia has a new legislative framework for the implementation of the United Nations (UN) Security Council Resolutions on targeted financial sanctions with respect to terrorism financing and proliferation financing. Though delays in implementation of the UN targeted financial sanctions have been shortened, the situation is still not in line with the notion of 'implementation without delay', i.e. within

a matter of hours. Despite having convicted persons for terrorism and terrorism financing, Georgia has not listed any terrorists or terrorist organisations within the assessment period.

The level of understanding of risks highlighted in the national risk assessment and/or outlined in the AML/CFT Law and guidance notes was generally good for financial institutions. Overall, the risk presented by the high level of cash circulation in Georgia is underestimated. Significant gaps were also observed in the application of customer due diligence measures by most designated non-financial businesses and professions and National Agency of Public Registry for the real estate sector.

The National Bank of Georgia and the Insurance State Supervision Service supervise most financial institutions and have a comprehensive understanding of sectorial and individual institution risks. They apply robust "fit and proper" entry checks for such institutions and carry out on-going scrutiny of licencing requirements. In practice, the Ministry of Finance does not undertake any AML/CFT supervision for casinos, even though this sector presents the highest ML/TF risks in the country, and there are technical deficiencies in licensing requirements for casinos which seriously undermine their effectiveness in pre-

venting criminals or their associates from controlling or managing a casino. The application of "fit and proper" entry checks amongst other non-financial structures is mixed, and the level of AML/CFT supervision is insufficient and uneven. As a consequence, the low level of reporting of suspicious transactions remains a concern.

Setting up a legal person in Georgia is straightforward, and all information necessary for registration is publicly available. The authorities have not demonstrated effective identification and analysis of threats to and vulnerabilities of such legal persons in the ML/TF context, though it is universally understood that the use of "fictitious" limited liability companies in criminal schemes constitutes a significant money-laundering risk. The mechanisms available to obtain information on beneficial ownership of legal persons established in Georgia in practice cannot be relied upon in all cases to provide adequate, accurate and up-to-date information.

Georgia has a sound legal framework for international cooperation and has mechanisms in place to conduct it. Georgia demonstrated effective cooperation in providing and seeking information, using both formal and informal channels, with a wide range of foreign jurisdictions, the MONEYVAL report concludes.