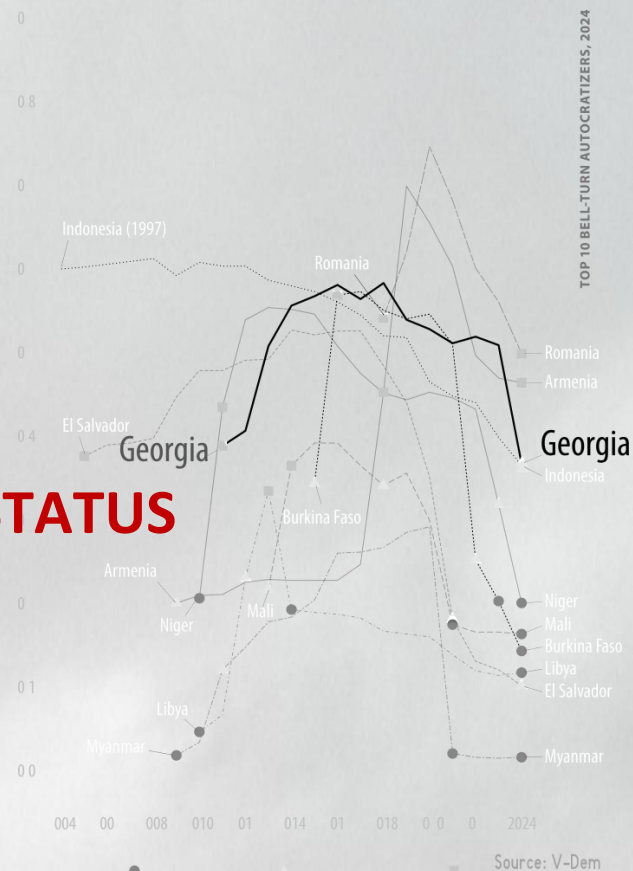


# THE LAW OF GEORGIA ON TRANSPARENCY OF FOREIGN INFLUENCE **AND ITS IMPLEMENTATION STATUS** IN GEORGIA



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## EXECUTIVE SUMMARY

In recent years the human rights situation in Georgia has deteriorated significantly. The Georgian Dream initiated and introduced a draft law/law that undermines fundamental human rights.<sup>1</sup> Furthermore, it confronted peaceful citizens who took to the streets to protest ongoing political processes with harsh repressive policies.<sup>2</sup>

According to the V-Dem Institute, 2024 marked a record decline in democracy for Georgia since its independence. During this period, democracy broke down, transforming the country into an electoral autocracy.<sup>3</sup>

The Georgian Dream's attempt to discredit civil society and international organizations<sup>4</sup> was followed by the initiation of a draft law on Transparency of Foreign Influence by the anti-Western party People's Power ('Khalkhis Dzala'). This move sparked widespread protests. Despite facing harsh criticism from local and international organizations, the draft law was adopted by the Parliamentary majority on March 7 during the first reading. However, three days later, on March 10, 2023, the Parliament did not support the draft law during the second hearing at the plenary session, citing popular protest as the reason.

In April 2024, a year later, the Georgian Dream reintroduced the draft law, sparking public outrage and leading to large-scale protest demonstrations. In response, the Georgian Dream escalated its repressive measures, dispersing demonstrations with disproportionate force and without legal justification in most cases. The majority of Georgian civil society organizations refused to register in the registry of organizations implementing the interests of foreign forces, putting their organizational existence at risk.

The Law on Transparency of Foreign Influence imposes significant restrictions on the freedom of assembly and association, which is discriminatory and unconstitutional. Civil Society Organizations (CSOs) are currently pursuing legal action in Georgia's Constitutional court and the European Court of Human Rights in Strasbourg. While financial sanctions specified in the law have not been enforced yet, the enactment of the law has already had detrimental effect on the operations and development of organizations.

On February 24, 2025, the Georgian Dream introduced a new draft law called the Foreign Agents Registration Act (FARA) to the Parliament of Georgia. This law is a verbatim translation of the US legislation of the same name. The recent repressive policies of the Georgian Dream suggest that the main goal of this law is to suppress civil society organizations and dissenting voices. As of March 19, the draft law has passed two readings. It includes provisions for criminal liability and other sanctions for organizations that refuse to register in the Registry of Agents.

While new and stricter draft laws imposing sanctions and obligations on CSOs have been introduced, this document primarily focuses on the Georgian Law on Transparency of Foreign Influence. It explores its impact on the civil society sector and media, as well as the alignment of the legislative framework with the Constitution and international legal norms.

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<sup>1</sup> democracyresearch.org, 17.03.2025, See <https://shorturl.at/54t8N>

<sup>2</sup> democracyresearch.org, 10.12.2024, See <https://www.democracyresearch.org/geo/1572/>

<sup>3</sup> "V-Dem," Democracy Report 2025: 25 Years of Autocratization – Democracy Trumped? p.26, <https://www.v-dem.net/>. See: [https://www.v-dem.net/documents/60/V-dem-dr\\_2025\\_lowres.pdf](https://www.v-dem.net/documents/60/V-dem-dr_2025_lowres.pdf)

<sup>4</sup> netgazeti.ge, 29.12.2022, See <https://netgazeti.ge/life/648851/>

## THE METHODOLOGICAL FRAMEWORK

The monitoring of the implementation of the Georgian Law on Transparency of Foreign Influence involves examining the legislative framework and associated sub-legal acts. It also includes analysis of activities of relevant government authorities, narratives around them, public discourse and their effect NGOs.

The DRC used the following research tools for monitoring:

### THE ANALYSIS OF THE LEGISLATIVE/LEGAL FRAMEWORK

The Georgian Law on Transparency of Foreign Influence has faced criticism from the European Union,<sup>5</sup> the Venice Commission,<sup>6</sup> and civil society organizations in Georgia<sup>7</sup>. Hence, international actors' opinions and recommendations have been utilized for the analysis of the legislation.

The document also evaluates the constitutional complaint filed by the President of Georgia, various advocacy organizations and opposition members of Parliament.

### ANALYSIS OF DESCRIPTIVE STATISTICS

To evaluate the effect of the Law on the NGO sector, we conducted periodic monitoring of the number of organizations registered as entities representing foreign interests in accordance with the law. We also conducted a detailed analysis of the registration process. In addition to analyzing data from public institutions' websites, we processed information obtained through public information requests, including from the Ministry of Justice.

### WORKING MEETINGS AND INTERVIEWS

To monitor the implementation of the Georgian Law on Transparency of Foreign Influence and its impact on funding of the NGO sector, the DRC conducted 8 working meetings with both registered and non-registered NGOs.

As part of the research, we have also examined instances of restriction on the operations of registered CSOs, including cases of direct or indirect pressure on organizations.

### COMPARATIVE ANALYSIS

We compared qualitative and quantitative data obtained from monitoring with data from the period prior to the adoption of the Georgian Law on Transparency of Foreign Influence. Our goal was to identify trends influenced by legislative changes and assess the long-term impact of the law.

### THE ANALYSIS OF SECONDARY SOURCES

As part of the research we have also scrutinized assessments, research and reports from the Public Defender of Georgia, academia, local and international NGOs, including Freedom House, the World Bank, the Bertelsmann Transformation Index, and the World Justice Project.

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<sup>5</sup> [https://www.eeas.europa.eu/eeas/georgia-statement-spokesperson-draft-law-%E2%80%9Ctransparency-foreign-influence%E2%80%9D-0\\_en](https://www.eeas.europa.eu/eeas/georgia-statement-spokesperson-draft-law-%E2%80%9Ctransparency-foreign-influence%E2%80%9D-0_en)

<sup>6</sup> [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-PI\(2024\)013-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-PI(2024)013-e)

<sup>7</sup> Ibid.

## 1. LEGISLATIVE INITIATIVES TARGETING CSOS AND MEDIA

After the Georgian Law on Transparency of Foreign Influence was adopted in 2024, the Georgian Dream announced a new set of repressive laws<sup>8</sup> targeting media and CSOs. On February 24, 2025, the party officially submitted and registered both draft laws with the Parliament of Georgia.

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The draft Law on the Foreign Agents Registration Act (FARA) is among the bills registered at the Parliament of Georgia on February 24. It is a direct translation of the US law and includes terms such as Congress and the US President.

On March 3, the Legal Committee unanimously voted in favor of the draft law,<sup>9</sup> which was then approved during the plenary session on March 4. 84 members of the Georgian Dream voted in favor of the draft law<sup>10</sup>, with no opposition from any MPs. Representatives of the Georgian Dream party stated that once this law is adopted, the current Law on Transparency of Foreign Influence will be repealed.

Unlike the current law, which applies to media and civil society organizations receiving over 20% of their annual income from another state, the proposed version will apply to individuals, associations, initiative groups, etc. Additionally, while the current law only imposes monetary fine as sanction for failure to register, submit a declaration or provide information, the draft law includes criminal liability. Specifically, leadership of an organization, if not registered, may face criminal liability, including up to 5 years of imprisonment or a fine. In cases of failure to provide information or inadequate provision, an individual (an employee of the organization) may face criminal liability for up to 6 months. (However, draft amendments<sup>11</sup> to the Criminal Code propose up to 5 years of imprisonment only).

In addition to the requirement to register as an agent, submit a declaration and provide information, the draft law also requires the submission of two copies of any information material to the relevant authority. Additionally, the agent must openly state that they are disclosing the mentioned information.

On April 1, 2025, the Parliament of Georgia adopted the draft law on the Foreign Agents' Registration Act during its third reading. The draft law will enter into force from June, as per the transitional provisions.

In the US, the mentioned law, although a similar one has been introduced in Georgia, applies only to organizations and individuals explicitly working on behalf of another country to advance their interests. There are many civil society organizations in the US funded by foreign entities that are not obligated to register as agents. Due to the US legal system and independent institutions, courts have interpreted the law narrowly, limiting its scope.

The recent developments in Georgia, such as the introduction of more stringent legislation and repressive policies, indicate that the draft law is designed to severely restrict the activities of civil society organiz-

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<sup>8</sup> radiotavisupleba.ge, 05.02.2025, See <https://www.radiotavisupleba.ge/a/33304338.html>

<sup>9</sup> parliament.ge, 03.03.2025, See <https://parliament.ge/media/news/iuridiul-sakitkhta-komitetma-kanonproekts-utskhouri-agentebis-registratsiis-akti-mkhari-dauchira>

<sup>10</sup> parliament.ge, 04.03.2025, See <https://parliament.ge/media/news/parlamentma-utskhouri-agentebis-registratsiis-akti-pirveli-mosmenit-ganikhila-da-mkhari-dauchira>

<sup>11</sup> parliament.ge, See <https://info.parliament.ge/file/1/BillReviewContent/381906>

ations. This intention is further underscored by the biased court system and the state of the Georgian legal system.

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On February 28, the Procedural Issues and Rules Committee reviewed another draft law<sup>12</sup>. This draft law proposes that the participation of CSOs in public decisions, as outlined in the Rules of Procedure of the Parliament of Georgia, will no longer be mandatory.

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The Georgian Dream, along with FARA, initiated another draft law in Parliament on February 24. This law aims to legalize censorship and self-censorship by amending the Law of Georgia on Broadcasting. The provisions in the draft law specifically target independent media and disregard self-regulation mechanisms. The draft law<sup>13</sup> passed the first reading on March 4.

- **The draft law prohibits broadcasters from receiving foreign funding**, including direct monetary support and any form of material assistance. Exceptions are made for commercial advertisements, sponsorships and product placements. However, due to the limited availability of commercial funding, it will be impossible for broadcasters to sustain their operations, especially in regions.
- **The adoption of the law will greatly reduce the role of self-regulation**. The law allows for complaints to be filed against broadcasters with the Communication Commission, which has the authority to impose fines, suspend, or revoke licenses. The process of challenging decisions within the self-regulation mechanism will become merely a formality.
- **Interference in editorial policy will be legalized** under the proposed draft law, which expands the mandate of the National Communication Commission to allow for intervention in broadcasters' editorial policies. The Commission closely aligned with the political interests of the Georgian Dream, will now assess the objectivity of political and other news coverage. The amendment also mandates broadcasters to "appropriately" present all alternative views in authorial programs, significantly restricting editorial independence and media freedom.
- **Restrictions are introduced under an initiated version** – allowing video and audio recordings on the premises of public and private institutions only with the consent of the relevant person in charge. However, this rule does not apply when the creation of such content is deemed to be in the public interest, as determined by the Communication Commission.

*The draft law includes many general phrases that can be broadly interpreted. The Communication Commission will have the authority to decide if "public interest" is present in a particular case and if the coverage of a certain event was "fair" and "objective".*

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<sup>12</sup> parliament.ge, 28.02.2025, See <https://shorturl.at/2Gsox>

<sup>13</sup> parliament.ge, 04.03.2025, See <https://www.parliament.ge/media/news/parlamentma-mautsqeblobis-shesakheb-kanonshi-tsvilebis-shetanis-taobaze-kanonproekti-pirveli-mosmenit-miigho>

## 2. THE STATE OF AFFAIRS BEFORE THE ADOPTION OF THE LAW ON TRANSPARENCY OF FOREIGN INFLUENCE

On June 23, 2022, the European Council approved the European Commission's decision from June 17,<sup>14</sup> which requires Georgia to fulfill 12 priorities in order to become a candidate country for the EU membership.

According to Recommendation # 7 of the European Commission, the government was required to undertake stronger efforts to guarantee independent media environment. Additionally, Recommendation # 10 stated that work on all priorities should be carried out with broad consensus and participation, including active involvement of civil society organizations (CSOs).

On November 8, 2023, the EC published another report on the expansion, where it assessed activities carried out by Georgia. According to the report, out of twelve, only three objectives were assessed as fully implemented - those about gender equality and fighting violence against women (# 9); *proactively taking into account European Court of Human Rights judgements* (# 11); and *that on the nomination of a new Public Defender* (# 12).

In 2022-2023, the ruling political party was actively working to implement the 12 priorities. However, it is important to note that the government did not consider most of the recommendations put forth by CSOs, despite their involvement being somewhat guaranteed).

Instead of close cooperation with CSOs, starting from the end of 2022, the government made particular efforts to create a hostile environment for organizations that held critical opinions. The Georgian Dream intensified the narrative starting from this period about the transparency of CSOs' funding,<sup>15</sup> which was later transformed into a draft law.

**Draft laws on Transparency of Foreign Influence and on Registration of Foreign Agents, initiated by the Parliamentary majority and the political group People's Power (Khalkhis Dzala) endangered the implementation of European Commission recommendations. The initiation of these draft laws sparked massive protests.** The protest movement persisted despite the government's use of disproportionate force, leading to the Georgian Dream to dropped the bill in the second reading, and to retracting another draft law from the legislature.<sup>16</sup>

On November 8, 2023, the European Commission recommended granting EU membership candidate status to Georgia. However, this recommendation was accompanied by nine additional provisions that Georgia needed to implement. The Georgian government absolutely restricted the space for civil society organizations to express differing opinion.

Despite the promise,<sup>17</sup> the Georgian Dream reintroduced the draft law on Transparency of Foreign Influence in April 2024, sparking widespread protest demonstrations once again. The legislative process

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<sup>14</sup> enlargement.ec.europa.eu, 17.06.2022, See <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-06/Georgia%20opinion%20and%20Annex.pdf>

<sup>15</sup> interpressnews.ge, 12.09.2022, See <https://rb.gy/vaheek>

<sup>16</sup> radiotavisupleba.ge, 10.03.2023, See <https://www.radiotavisupleba.ge/a/32311562.html>

<sup>17</sup> radiotavisupleba.ge, 09.03.2023, See <https://www.radiotavisupleba.ge/a/32310228.html>

was accompanied by unlawful dispersal of peaceful protest rallies, unlawful use of special measures and equipment by law enforcement officers, and brutal reprisals against peaceful protesters by police forces and/or informal organized groups.<sup>18</sup> On May 18, President Salome Zurbishvili of Georgia vetoed the draft law.<sup>19</sup> However, on May 28, the Parliamentary Majority overrode the presidential veto and adopted the Law on Transparency of Foreign Influence, despite significant opposition and criticism from international partners. The adoption of this law led to the suspension of Georgia's EU integration process.<sup>20</sup>

### 3. SUBSTANTIVE ASPECTS OF THE LAW ON TRANSPARENCY OF FOREIGN INFLUENCE

The law passed in 2024 undermines democratic values and has become a significant obstacle to Georgia's EU integration. The provisions of the law contradict several rights guaranteed by the constitution, including freedom of association (Article 22), right to personal and family privacy, personal space and privacy of communication (Article 15), and Article 78 on integration into European and Euro-Atlantic structures.<sup>21</sup> The President of Georgia cited the violation of these articles when she returned the draft law to the Parliament of Georgia with justified remarks.<sup>22</sup>

In its conclusion published on May 21, 2024, the Venice Commission noted<sup>23</sup> that *the enactment of the Law on Transparency of Foreign Influence would significantly impact the freedom of assembly and expression, the right to privacy, the right to participate in public affairs and the European integration process. The document asserts that the true objective of the law is not transparency but the undermining of CSOs and media outlets.*

#### REGISTRATION AS ORGANIZATIONS PURSUING THE INTERESTS OF A FOREIGN POWER

In accordance with Article 2 of the Law on Transparency of Foreign Influence, *“non-commercial legal entities, broadcasters, and media organizations must register as “organizations pursuing the interests of a foreign power” if more than 20% of their income from the previous year is derived from a “foreign power”.*

Hence, the only criterion that qualifies a media entity and/or organization as serving the interests of a foreign power is if 20% of its annual income comes from a “foreign power”.

A “foreign power” refers to any legal entity or organization that is not registered according to Georgian legislation, or an individual who does not hold Georgian citizenship, and/or an entity affiliated with a foreign government.

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18 democracyresearch.org, Protests under Observation, 15.07.2024, See <https://www.democracyresearch.org/geo/1504/>

19 president.ge, 18.05.2024, See [https://president.ge/index.php?m=206&appeals\\_id=396](https://president.ge/index.php?m=206&appeals_id=396)

20 civil.ge, 09.07.2024, See <https://civil.ge/archives/615670>

21 The Constitution of Georgia, See <https://matsne.gov.ge/ka/document/view/30346?publication=36>

22 parliament.ge, 18.05.2024. See <https://info.parliament.ge/file/1/BillPackageContent/43654>

23 venice.coe.int, 21.05.2024. See [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-PI\(2024\)013-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-PI(2024)013-e)

The legislation that categorizes media and CSOs as entities pursuing the interests of a foreign state creates a basis for distrust and stigmatization. The European Court of Justice, in the case of Hungary<sup>24</sup> ruled that such labeling is problematic. Additionally, the European Court of Human Rights<sup>25</sup> emphasized that labeling organizations as under foreign influence undermines their efforts uphold the rule of law and human rights.

In its assessment of the draft law, ODIHR noted that *the Parliament failed to provide concrete evidence that the hypothetical threat is real. Furthermore, the government had to present specific evidence to justify the legitimate objective for the adoption of the law.*<sup>26</sup>

the initiators of the law cited national security as the main justification for its adoption. **However, the law fails to convincingly demonstrate that its provisions are aimed at eliminating this threat.** As a result, there is no legitimate goal that justifies restricting a number of constitutionally guaranteed rights.

### **THE LAW ON TRANSPARENCY OF FOREIGN INFLUENCE AND THE STANDARD FOR PROTECTING PERSONAL DATA**

The Law on Transparency of Foreign Influence completely disregards the protection of personal data.

According to the Law, a person authorized by the Ministry of Justice of Georgia *shall have the right to obtain the necessary information, including the data provided for by Article 3(b) of the Law of Georgia on Personal Data Protection, other personal data, and information containing a secret (except for a state secret as provided for by the legislation of Georgia).*<sup>27</sup> Furthermore, any entity must provide all information, including personal information, to the relevant authority upon request. Failure to provide information and/or submitting incomplete information will result in a fine.<sup>28</sup>

Under the Law, regulated entities must register as organizations pursuing the interests of a foreign power and submit annual financial declarations. The Minister of Justice establishes the rules and format for registration and declarations filing. The information provided in the financial declaration is considered public.

The Minister of Justice of Georgia issued Order N1019 on August 1, 2024, approving the Rules for Maintaining a Registry of Organizations Pursuing the Interests of a Foreign Power, Submitting Financial Declarations, and Monitoring. Initial version of the rules included a provision for publicly disclosing personal data of staff members, such as their full name, personal identification number and bank account details. The sub-legal act restricted basic human rights. Subsequently, the Public Defender requested the Ministry of Justice to refrain from disclosing such personal information. The Ministry of Justice partially accepted the Public Defender's recommendation by not disclosing personal identification numbers and bank account information. However, the Law of Georgia on Transparency of Foreign Influence and related regulations severely restrict various constitutional rights, including infringing on the standard of personal data protection.

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<sup>24</sup> curia.europa.eu, 06.10.2020, , Commission v Hungary, 117-118, See <https://curia.europa.eu/juris/liste.jsf?num=C-66/18>

<sup>25</sup> hudoc.echr.coe.int, Ecodefence and Others v. Russia, para 136, 14.06.2022, See <https://hudoc.echr.coe.int/fre#%7B%22itemid%22%3A%5B%22001-217751%22%5D%7D>

<sup>26</sup> csogeorgia.org, Notes on So-Called Russian law, paras 32-35, 05.06.2024, See <https://csogeorgia.org/en/post/ra-tseria-osce-odihr-is-samartlebriv-shefasebashi>

<sup>27</sup> Georgian Law on Transparency of Foreign Influence, Article 4(4)

<sup>28</sup> Ibid. Article 9

The Public Defender believes that publishing personal data of employees is not necessary for achieving transparency in an organization's finances. Transparency of finances can be achieved without disclosing personal data. The rule outlined in the sub-legal act clearly violates the Constitution and international standards. Additionally, the document also emphasizes that "disclosing data will hinder individuals from maintaining or obtaining employment in these organizations, as their right to protect their personal data is disregarded. This will pose another barrier for organizations in recruiting, hiring and retaining personnel to continue to effectively carry out their activities". The Public Defender submitted an amicus curiae opinion to the court, citing these arguments and legal judgments in conjunction with constitutional complaints challenging the constitutionality of the Georgian Law on Transparency of Foreign Influence.<sup>29</sup>

## CONSTITUTIONAL COMPLAINTS

Four constitutional complaints were filed with the Constitutional Court challenging the constitutionality of the Law on Transparency of Foreign Influence (the President of Georgia, members of Parliament: Tamar Kordzaia, Ana Natsvlshvili, Levan Bezhashvili, et al. (a total of 38 MPs), the Institute For Development of Freedom of Information (IDFI), a non-commercial legal entity, Rights Georgia, a non-commercial legal entity, Civil Society Foundation, a non-commercial legal entity, et al. (a total of 122 plaintiffs), the Network of Information Centers, LLC and Studia Monitori, non-commercial legal entity vs the Parliament of Georgia)). The Public Defender also submitted an amicus curiae opinion to the Constitutional Court in relation to these complaints.

Despite the complaint, the Constitutional Court, in its October 9 ruling, rejected the request to suspend the validity of the so-called Agents Law and accepted some parts of the complaints for consideration.<sup>30</sup> With a majority of votes, the judges ruled that the Law on Transparency of Foreign Influence does not pose an immediate threat to NGOs and media organizations. The case file includes a dissenting opinion.

The non-constitutionality of the Law of Georgia on Transparency of Foreign Influence was justified by plaintiffs in several areas. Among others, the focus is on the offensive terms used in the Law that encroach on dignity and business reputation, the nature of the registry which creates a stigmatized environment, the unwilling registration, repressive monitoring available to the government, the frequency of monitoring, absence of limits on the content of information to be obtained from monitoring and the lack of a definitive circle of targets of monitoring. Additionally, the frequency and severity of fines for non-submission of information, the illusory nature of the right to apply to common courts, and retroactive nature of the law were also highlighted. Furthermore, the document highlights provisions that hinder the achievement of legitimate public goals. The complaint argues that the contested law restricts freedom of association, freedom of the media, and freedom of expression. The contested law was challenged in the Constitutional Court under Article 78 of the Constitution, which mandates constitutional authorities to take all necessary measures within the scope of their competences to ensure the full integration of Georgia into the European Union and the North Atlantic Treaty Organization.

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<sup>29</sup> ombudsman.ge, The PDO amicus curiae opinion on constitutional complaints (Registration No1828, No1829, No1834), challenging the constitutionality of the Georgia Law on Transparency of Foreign Influence. 29.08.2024, See <https://ombudsman.ge/res/docs/2024082910275054043.pdf>

<sup>30</sup> constcourt.ge, The Constitutional Court of Georgia records, 04.10.2024, See <https://constcourt.ge/ka/judicial-acts?legal=17223>

## 4. International context for the adoption of the Law

The adoption of legislation in 2023 was unsuccessful, but after a repeated review in 2024 the law was adopted, following a regional trend. During 2023-2024, similar legislation was also adopted by Hungary, Kyrgyzstan, and Slovakia.<sup>31</sup> The legislative amendments in these states were positively evaluated by Russia which expressed interest in enhancing future cooperation.<sup>32</sup>

*In parallel with the democratic backslide and the adoption of such laws in the region, international support is crucial.*

In 2017, Hungary faced criticism and resistance for the adoption of similar legislation. The law was ultimately repealed in 2021, after the Court of Justice of the European Union (CJEU) deemed it discriminatory and incompatible with human rights standards.<sup>33</sup> However, Hungary introduced and adopted a new law in 2023 called the Protection of National Sovereignty.<sup>34</sup>

A similar law came into effect in Russia on July 20, 2012. The initial version of the law primarily required organizations operating in Russia and receiving funding from other states to register. 12 years later, following the amendments of May 2024, individuals registered as foreign agents were prohibited from voting in elections. Additionally, the requirement to register as an agent of foreign influence applies to both organizations and individuals. This law has significantly limited dissenting opinions in Russia.

The ECtHR has made a significant decision against the law in Russia, finding that it violates Articles 10 and 11 of the ECHR, which protect freedom of expression and association. The law stigmatizes and unjustifiably discriminates against civil society.<sup>35</sup>

## 5. THE LOCAL CONTEXT

The adoption of the Georgian Law on the Transparency of Foreign Influence before the 2024 Parliamentary Elections, amidst widespread protests and general societal disapproval, may appear as a vague and illogical step at a glance. Some experts believed that this process posed a major risk for the Georgian Dream as it undermined voter confidence. Additionally, after the law was passed, it was necessary to establish the appropriate institutional and infrastructure framework for its full implementation, which was unrealistic to achieve before the elections. Consequently, the time gap between the law's adoption and its effective implementation greatly reduced the likelihood of it being put into practice.

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<sup>31</sup> atlanticcouncil.org, 17.03.2025, See <https://www.atlanticcouncil.org/blogs/new-atlanticist/why-georgias-ruling-party-is-pushing-for-the-foreign-agent-law-and-how-the-west-should-respond/>

<sup>32</sup> reuters.com, 17.10.2023, See <https://www.reuters.com/world/europe/russias-putin-holds-talks-with-hungarys-orban-china-2023-10-17/>

<sup>33</sup> curia.europa.eu, CJEU Case C-78/18, 18.06.2020, See <https://curia.europa.eu/juris/liste.jsf?num=C-78/18>

<sup>34</sup> Hungary to face EU court over foreign influence law, 03.10.2024, See <https://www.barrons.com/news/eu-takes-hungary-to-court-over-foreign-influence-law-618482e3>

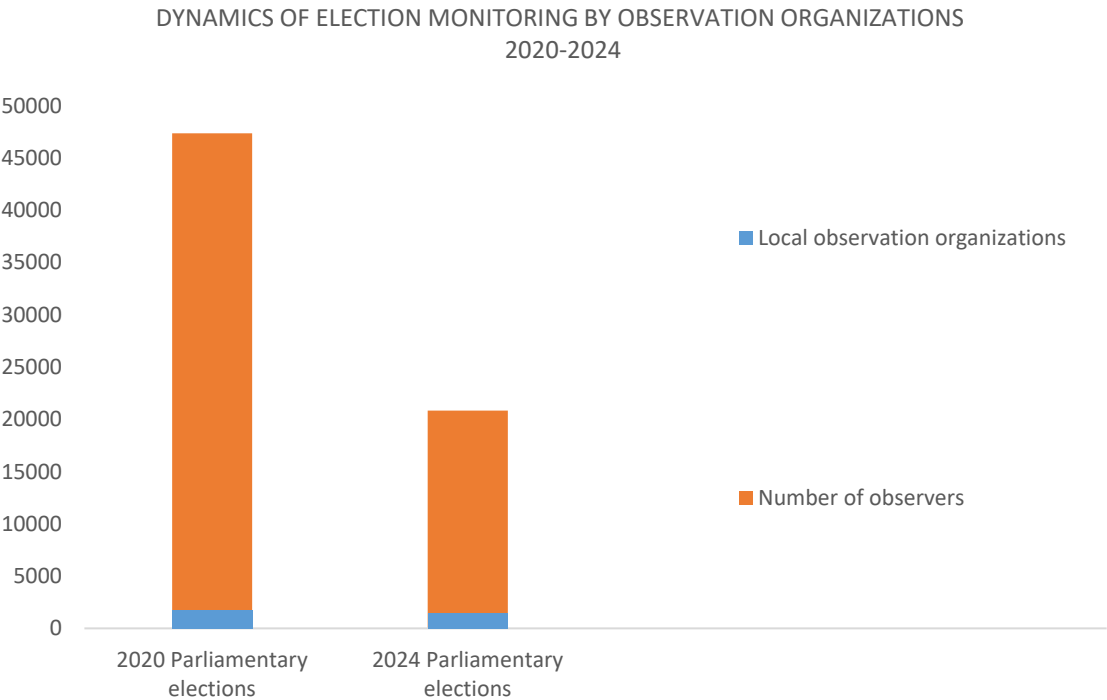
<sup>35</sup> hudoc.echr.coe, Case of Kobaliya and Others V. Russia (Applications nos. 39446/16 and 106 other), 22.01.2025, See [https://hudoc.echr.coe.int/fre#{%22itemid%22:\[%22001-237425%22\]}](https://hudoc.echr.coe.int/fre#{%22itemid%22:[%22001-237425%22]})

While the Georgian Dream did not directly enforce the law passed before the elections, several surveyed organizations believe that the government, State Security Service and law enforcement authorities, especially in regions, attempted to influence or intimidate regional civil society and community organizations. They also used financial pressure to limit the activities of these organizations. For instance, one organization had its contract terminated prematurely by a local municipal body, compelling them to vacate the space they had occupied for years.

Regional NGOs and community organizations have been influenced to varying degrees. Unlike organizations founded in Tbilisi, repressive methods towards regional organizations have been relatively discreet. Threats and intimidation from the state apparatus, police, the State Security Service and local underworld bosses manifested in various ways. This included physical retaliation or threats to terminate the employment of family members and relatives, as reported by local organizations. These coercive actions were used to pressure these organizations into registering in a specific registry or ceasing their activities.

Furthermore, surveyed organizations reported an increase in youth engagement in CSOs in recent years. They believe that the emergence of new generation leaders poses a threat to the government, leading to efforts to either win them over or create obstacles for them.

The legislative restrictions imposed by the government, along with direct interference from government services, police, state apparatus, and underworld bosses have increased control over CSOs. These restrictions greatly reduced the ability of these organizations to observe elections both before and during the election period.



In the 2020 Parliamentary Elections, the CEC data shows that 47,223 observers were registered by 120 organizations.<sup>36</sup> However, in the 2024 elections, the number of observers decreased to 20,727 and the number of organizations to 101. This indicates a 56% decline in the observation efforts of the NGO sector in the 2024 electoral processes, which is a significant drop compared to previous elections. It is also worth noting that in the 2020 Parliamentary Elections, 1,970,540 individuals participated, representing 56.11% of the total number of voters. In contrast, the 2024 data shows a total number of voters at 2,060,412, which is 58.94% of the total number.

Some regional CSOs surveyed believe that the decrease in the number of observers may be linked to the Law on Transparency of Foreign Influence, as well as the normative acts enacted under that law and targeted informal actions taken by the government. The Georgian Dream government explicitly targets the NGO sector with threats of activating and intensifying inspections, imposing fines, revoking broadcasting and other licenses for media outlets, and criminal prosecution against CSOs. In some cases, government authorities have even used criminal groups to intimidate them. These actions aim to stigmatize the NGO sector, reduce their financial and operational resources and obstruct their monitoring of electoral processes.

On December 22, 2022, amendments to the Election Code have added complexity to monitoring the electoral process. Specifically, the law now prohibits the following individuals from registering as observers:

- those who were members of an election commission appointed by a political party, political subjects or their representatives during the last two general or mid-term elections;
- those who were donors to any party from the beginning of the year of the last general or mid-term elections.<sup>37</sup>

## **6. REGISTERING AS AN ORGANIZATION PURSUING FOREIGN INTERESTS – CHALLENGES AND INFORMAL BARRIERS**

Some surveyed organizations were compelled to register due to the need to protect beneficiaries and the specific nature of their work, making it impossible to avoid the registration. Additionally, some organizations needed to use government buildings or other resources, and/or were facing threats and intimidation campaigns. It is worth noting that even though these organizations registered in accordance with the legislation, they still faced pressure and repression from the state apparatus. Among the surveyed organizations, those that complied with the registration requirement seemed to encounter the most serious challenges.

Furthermore, a relevant authority required registered organizations to submit information that was unrelated to the transparency of the organization's finances. This included personal information about employees and beneficiaries, such as the identity of adult and underage recipients of scholarships or other

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<sup>36</sup> cesko.ge, See <https://cesko.ge/ge/archevnebi/2020>

<sup>37</sup> On amending the Organic Law of Georgia The Election Code of Georgia, See <https://matsne.gov.ge/ka/document/view/5654102?publication=0#DOCUMENT:1>;

assistance, their ethnic origin and other sensitive data. This practice not only violates fundamental human rights but also poses significant risks to the security and confidentiality of vulnerable groups. It is contrary to the Constitution of Georgia, as well as Georgia's international agreements and treaties, including Article 16 of the UN Convention on the Rights of the Child and Article 8 of the European Convention on Human Rights, which guarantee privacy and protection against arbitrary interference. Additionally, registered organizations reported that communication with them was conducted not via email, but through telephone conversations.

The Agency and relevant authorities instill fear and uncertainty as to security of their future operations among NGOs by requesting sensitive data and using those data, creating a chilling effect that hinders the effective execution of their independent work. This interference targets registered NGOs and their beneficiaries.

On October 24, 2024 the DRC filed an application with the Financial Declarations Department of the National Agency of Public Registry of the Ministry of Justice of Georgia. The DRC requested information regarding the number of applications for registration as an organization pursuing the interests of a foreign power. We also requested the percentage of non-commercial income derived from the so-called "foreign powers" by various organizations, as required by Article 3 of the Georgian Law on Transparency of Foreign Influence. The response we received from the Public Registry did not fully provide the requested information and was sent well beyond the deadline stipulated by law, specifically on December 6, 2024.

According to the NAPR, 484 organizations applied for registration in the Registry of Organizations Pursuing the Interests of a Foreign Power. Out of these, decisions were made for 382 entities, and the registration process is ongoing for the rest.<sup>38</sup> As of January 2025 the number of registered organizations has risen to 485, which accounts for approximately 1% of NGOs registered in Georgia. However, it is uncertain how many of these organizations are active and how many receive more than 20 % of their funding from abroad.

The Financial Declarations Department established to enforce the Law of Georgia on Transparency of Foreign Influence consists of Registration and Declarations Monitoring Units. The Department has a total of 16 employees, with 6 working in the Registration Unit and 5 in the Declarations Monitoring Unit. Additionally, the Department is led by a head, deputy head and two unit heads.

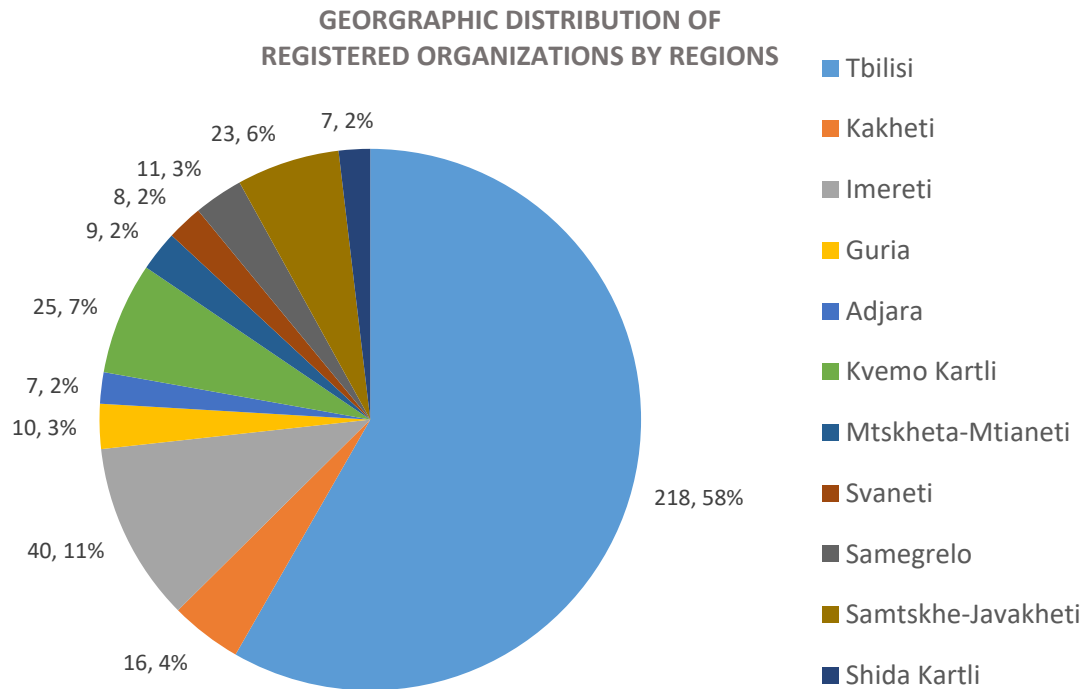
As of March 1, there were over one hundred organizations with pending applications, despite the legislation stipulating a 30-day registration period. This backlog may be attributed to a shortage of human resources.

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The majority of registered CSOs operate in Tbilisi, with 218 organizations located in the capital. The numbers are also relatively high in Kakheti (40), Imereti (25) and Samtskhe-Javakheti (23). In contrast, Racha, Shida Kartli and Kvemo Kartli have only 7-9 registered organizations.

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<sup>38</sup> NAPR announcement KA011780018335424 dated November 29, 2024



The activities registered NGOs are focused on education (72), social equality and social protection (45) and culture (38). In addition to these areas, registered organization are also involved regional development (35) and agriculture (30) aiming to support and enhance the regions. This contributes to economic progress and local democracy, particularly important in countries with centralized governance. It is important to note that this analysis does not account for organizations whose registration process is still pending, in violation of the timeframes set by the Georgian Law on Transparency of Foreign Influence.

## **7. ASSESSMENT OF THE ACTIVITIES OF THE FINANCIAL DECLARATIONS DEPARTMENT**

The state uses informal intimidation and pressure apparatus against NGOs to enforce and monitor the goals set out in the law. The Minister of Justice established the Financial Declarations Department, which has some governing functions of the Ministry of Finance. However, this department does not operate as an independent and objective entity.

The Department's institutional deficiencies, such as understaffing, lack of funding and vacancies, should not be considered as the basis for the passivity in implementing the law. Interviews with NGO sector representatives revealed that various government authorities, including the State Security Service, police and criminal underworld bosses play significant role in making up for these deficiencies. This results in increased stigmatization of the NGO sector and heightened pressure mechanisms, making the impact of the law even more severe.

The DRC has requested the following information from the NAPR:

- The number of staff of the Financial Declarations Department of the NAPR of the Ministry of Justice of Georgia, as well as the names of the Head of the Financial Declarations Department, Deputies, Assistants and employees, as well as information about work experience of these individuals;
- The qualifications required for the positions of the Head of the Financial Declarations Department, Deputies, and assistants;
- Details regarding the salary, bonuses and salary supplements for the Head of the Financial Declarations Department, Deputies, and Assistants and employees;
- Information about the number of employees within the Financial Declarations Department, information about the assets declarations of the Head and Deputy/Deputies of the Department, as well as details about their salary, bonuses and salary supplements.

The requested information was provided incompletely, and not within the timeframe required by law.

According to an incomplete and general response from the NAPR, the Financial Declarations Department established by the Minister of Justice consists of Registration and Declarations Monitoring Units. To fulfill its responsibilities, as outlined in Government of Georgia Resolution N 983 dated July 11, 2024, the Department has a total of 16 (sixteen) staffing units, with 8 (eight) positions currently vacant. Additionally, the Department employs contracted staff and is funded through the NAPR's own income.<sup>39</sup>

Importantly, the response included general information about the identity, qualification and work experience of employees. For specific details, they have suggested visiting their website. At the same time, information about required qualifications is vague as it is only noted that the selection of staff involved a committee considering professional experience and skills, but specific criteria are not provided.

If the Department is fully staffed, its annual costs amount to approximately GEL 687,168. This figure does not include office maintenance costs, technical support, IT infrastructure, documents processing and other administrative expenses, which further add to the total economic burden.

The explanatory note states that the mentioned amendment will involve additional costs and will be financed current allocations for the Ministry of Justice and NAPR. However, relying on "Own income" and reallocating existing funds could potentially constrain funding for other important projects, imposing an economic burden on the state budget and the overall economic system.

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<sup>39</sup> NAPR announcement KA011780018335424 dated November 29, 2024.

## SUMMARY

In May 2024, The Parliament of Georgia passed the Law on Transparency of Foreign Influence, which requires CSOs and media outlets to register if over than 20% of their funding comes from foreign sources. The adoption of this law sparked significant protests, with the international community criticizing it as incompatible with European democratic and human rights standards.

According to representatives of CSOs and public information, some organizations registered out of fear and pressure, while others voluntarily suspended their activities. The majority of organizations refused to register in the Registry.

While the law is technically in effect, it is not being actively enforced in practice. This is likely because the Georgian Dream party is strategically avoiding further political turmoil and unrest.

While the enforcement of the Law on the Transparency of Foreign Influence is currently not active, the Georgian Dream introduced a new draft law in February 2025 targeting almost all types of associations (save the exceptions envisaged by the law) and individuals who receive foreign funding (irrespective of the amount of funding). The Act of Registration of Foreign Agents envisages stricter measures, such as criminal liability, for those who fail to register.