

Law of Georgia
“on Property Restitution and Compensation for the Victims
of Conflict in the Former South Ossetian Autonomous
District in the Territory of Georgia”

The Georgian State

Recognizing the human rights and freedoms envisaged by the Constitution of Georgia and the International Law,

namely, the right of every person to property and adequate standards of life regardless of his/her race, skin color, sex, language, national, ethnic and social origin, religion, belief, political or other views,

realizing the difficult consequences of the conflict in South Ossetian autonomous district in 1989 - 1992, which caused gross violations of rights and freedoms of a significant part of the population of Georgia and forced them to leave their houses,

takes over the responsibility to rehabilitate the rights of the victims, which were violated during the conflict of 1989-1992 and afterwards, and bring them to conformity with the standards recognized by the international law.

Chapter I.
General Provisions

Article 1. The Purpose of the Law

The purpose of the present law is restitution of property, providing adequate (equivalent) immovable property or compensation of property damage of natural persons who were victims of the conflict in South Ossetian Autonomous District in the territory of Georgia.

Article 2. Notions and Definitions

The notions used in the present law for its purposes have the following definitions:

- a) Conflict - armed conflict in 1989-1992 and after this period in former South Ossetian Autonomous District and/or confrontation between populations of Ossetian and Georgian origins in other regions of Georgia.
- b) right to reside – right for usage and ownership of the initial residence;
- c) initial residence – residence of a refugee or an IDP, where he/she had the right to reside at the moment of leaving the latter;
- d) initial resident – individual, who had the right to reside in the initial residence;
- e) forced migrants – an individual who was displaced within the territory of Georgia or beyond the territory of Georgia as a result of a conflict;
- f) *bona fide* and *mala fide* owner – persons defined in articles 159 and 164 of the Georgian Civil Code;
- g) relative - person defined in article 31 part 2 of the Georgian Civil Code;
- h) family member – spouse, son/daughter, parent, adopting parent, adopted son/daughter, grandparent, grandson/granddaughter, sibling;
- i) Reconstruction – modification of immovable property as a consequence of which area of property and its market value changed in essence;
- j) residence – real estate meant for residence;
- k) other real estate – land parcel and non-residential realty fixed to it;
- l) property restitution – returning to lawful owner residence or other property that was lost on the Georgian territory as a result of the conflict or providing equivalent compensation;
- m) following resident – individual, who in present is a *bona fide* or *mala fide* owner of initial residence of a forced migrant;

Article 3. Principles of the Law

The present law is based upon the following principles:

- a) justice and equality;
- b) legality;
- c) respect for human dignity and protection, respect and guaranteeing universally recognized rights and freedoms;
- d) the right of an individual to have comprehensive information from state bodies on the issues related to him/her;
- e) the right of an individual to be provided with effective legal remedies;
- f) accountability and responsibility of the state to the citizens and people present at its territory;
- g) insuring of the right of the refugees and IDPs for free and voluntary return;

Article 4. The Purview of the Law

1. The present law applies to
 - a. those initial residents, who as a result of the conflict were or are not able to return to their initial residence due to lack of safety or adequate (substitute) residence;
 - b. those following residents, who *bona fide* or *mala fide* own residence or other real estate of initial resident;
 - c. those initial residents who received substitute residence and/or financial compensation with the help of governmental bodies or international and national organizations, if the value of their initial residence exceeds the received compensation or the value of the substitute residence.
2. The present law recognizes the right of a forced migrant to submit to the Commission for its review all the decisions made on the basis of the Article 69 of the Residence Code of 1983, which decisions caused this individual to lose his right for their residences in the period during and after the conflict.

Article 5. Right to Property restitution and Compensation

1. The present law recognizes the rights of all forced migrants and other persons to return to their residence.
2. The law established guarantees for a lawful owner to receive the residence or other immovable property that was lost in Georgian territory as a result of the conflict. This implies the right of a victim to receive immovable property or if it is impossible to return his/her residence or other immovable property to receive adequate (substitute) residence of the same value. If it is impossible to give adequate (substitute) residence then he/she has the right to receive compensation for property damage.
3. The present law recognizes right of the following *bona fide* resident to possess adequate (substitute), safe and affordable residence and immovable property.

Chapter II.

Commission on Restitution and Compensation

Article 6. Status of the Commission

1. For the purpose of implementation of the goals envisaged by the present law a Commission on Restitution and Compensation (hereinafter the Commission) is established for the period of 3 years. In case when goals of the Commission are achieved earlier than this period then the Commission makes a decision on termination of its competences before the expiration of its term. In case if the Commission during its term does not

manage to resolve all the existing disputes it makes a decision to prolong its term for a definite period.

2. The Commission is a legal entity of public law, which is not subordinated to any of the state institutions.

Article 7. The Goals of the Commission

The goal of activities of the Commission is to achieve the following for the persons who suffered damage during the conflict in Georgian territory:

- a) Return of property;
- b) Guaranteeing adequate (substitute) residence;
- c) Compensation of property damage.

Article 8. Public Access to the Commission

1. Hearings of the Commission on Restitution and Compensation and its Committee are open for the public. Chairman of the Commission (Committee) is empowered to declare the hearing closed, based on the procedure established by the Georgian General Administrative Code, for the purpose of ensuring that state, commercial, professional and party's private secrets will not be disclosed.

If at least one of the parties request so according to the Georgian legislation.

2. All the information that was received during the process of work of the Commission and the Committee is public, except for the case when Georgian legislation requires the information to be secret.
3. Any member of the Commission or an employee of the Commission's bureau has an obligation to in secret the information that is defined by the Georgian legislation, which has become known to him/her due to the position at work or during the process of carrying out his/her activities and make efforts to ensure its secrecy.
4. A person is obliged according to the Georgian legislation not to disclose a secret information, which became known to him/her while assisting the Commission in its activities, while being present at hearing of the Commission or otherwise. A representative of the Commission shall warn that person about it.
5. If the secret information becomes disclosed by the Commission or the Committee then the Commission and the Committee shall compensate the moral or material damage caused by this act.

Article 9. The Rule of Establishment of the Commission and its Composition

1. The Commission consists of 9 members, who are appointed according to the procedure established by this article.
2. The Commission is composed of the representatives of the Georgian party, Ossetian party and subject (subjects) of international law nominated on the parity basis.
3. Georgian authorities from the nominees presented by subjects of international law appoint 3 members of the Commission, who afterwards select other members from representatives of Georgian and Ossetian parties on the basis of open competition.
4. Commission is authorized to carry out the functions defined by this law even in the case if subject of international law present only 2 nominees, who will be appointed by the Georgian authorities. In such case the Commission will be composed of 2 Georgian and 2 Ossetian members.
5. On behalf of Georgian and Ossetian parties of the conflict subject of international law, political parties, private law non-commercial legal entity notwithstanding the place of their registration or a group of no less than 50 persons have the right to nominate candidates.
6. A capable individual, with higher education, having a working experience of at least five years, can become a member of the Commission. A member of the Commission must have

the public acknowledgment and be trusted by the society. At least one third of the members of the Commission shall have a higher legal education.

7. Any person shall have a right to participate in the competition if he/she satisfies the requirements set out by this law for a member of the Commission. Time period for submitting the documents for the competition shall be no later than 45 days after the announcement.
8. If during the period that is defined in this law there were not nominated at least 2 candidates for each vacancy the competition shall be prolonged for the period of time during which at least two candidates will be nominated per each vacancy. List of the candidates shall be published in two days period after expiration of the term during which candidates can be nominated.
9. No later than 30 days after expiration of the term during which candidates can be nominated those Members of the Restitution and Compensation Commission, who were appointed with quota of subjects of international law, shall appoint Georgian and Ossietian party Members based on their quotas.
10. Rules for appointing Members of the Commission with quota of subjects of international law and rules for exercising their competences shall be determined by Decision of the Georgian Government, based on memoranda with those subjects of international law that participate in the process of formation of the Commission.

Article 10. Structure of the Commission

1. The Commission has a chairman and two deputies, who are elected from the staff of the Commission by majority votes of the members. According to this law the Commission is chaired by the member who is appointed by subjects of international law.
2. The Chairman and the Deputy Chairmen of the Commission represent the candidates nominated by different sides.
3. The chairman and the deputy chairmen of the Commission are elected on rotation basis every three years. A person nominated by one party can not be nominated as a chairman for two terms.
4. Within the Commission 3 Committees shall be established.
5. In case established by article 9 provision 4 within the Commission 2 Committees shall be established.

Article 11. Conflict of Interests

1. A person shall not be a Member of the Commission if he/she is at the same time:
 - a) is performing some paid work, except pedagogic, scientific or art;
 - b) member of a political party;
 - c) directly participated in the armed conflict or openly called upon violence and ethnic discrimination and enmity.
2. Same requirements are set for employees of the bureau of the Commission, except for supporting and technical staff.
3. If a member of the Commission or a committee, or an employee of the bureau of the Commission, except the supporting/technical staff, appeared to have direct or indirect economic interest with the person, whose case is being reviewed by the Commission, he/she shall state about it in writing and shall not participation in revision of the case.
4. If a member of the Commission or a committee, or an employee of the office of the Commission, except the supporting/technical, is a relative of the person, defined by the sub-clause c) of the present article, or participated in court proceedings on this case during the course of the conflict, or was working in a state institution or was an official, who had direct contact with the property in question - he/she shall state about it in writing and shall not participation in revision of the case.

5. Conflict of interests envisaged by provision “a” of this article does not apply to a Member of the Commission who was appointed with the quota of subjects of international law if he/she received remuneration from the international organization.
6. Conflict of interests envisaged by provision “b” of this article does not apply to a Member of the Commission who was appointed with the quota of subjects of international law.

Article 12. Termination of Authority of a Member of the Commission before Expiry of the Term

1. Authority of a member of the Commission can be terminated before expiry of the term on the following basis:
 - a) personal application;
 - b) failure to accomplish the duties during more than three months or without an acceptable reason for the period of 20 working days;
 - c) severe violations of the duties and responsibilities;
 - d) appointment to the position or activity, incompatible with the status of the member of the Commission;
 - e) Court decision in effect on finding him/her guilty;
 - f) death.
2. Decision on termination of authority of a member of the Commission before expiry of the term, in cases envisaged by provision 1, sub-provisions “b, c” of this article, is taken by the Commission with at least 2/3 of the members of the Commission. In other cases the Commission takes into consideration the fact that there is a ground for termination of authority. At this time the authority of a member of the Commission is terminated.
3. Filling the vacancy of a member of the Commission is done based on the procedure established by article 10 of this law, based on principle of parity between the parties but no later than 1 month after the position became vacant.

Article 13. Chairman of the Commission

1. The chairman of the Commission:
 - a) chairs the meetings of the Commission;
 - b) signs the decisions of the Commission;
 - c) is responsible for administration of finances on the account of the Commission;
 - d) based on competition appoints a secretary of the Commission and other employees, except for supporting and technical personnel;
 - e) performs other duties as prescribed by the statute of the Commission.
2. In absence of the Chairman or failure to accomplish the duty of the chairman one of the deputies perform duties of a chairman on the instruction of the chairman.

Article 14. Bureau of the Commission

1. The Bureau of the Commission has the following competences:
 - a. organizational and technical assistance in activities of the commission;
 - b. assisting persons concerned in preparation of complaints;
 - c. performing other duties on the instruction of a Committee.
2. Structure and rules of activities of the Bureau are defined by the Statute of the Commission.
3. Secretary of the Commission:
 - a. prepares records of proceedings of the Commission and other documents;
 - b. supervises enforcement of decisions of the Commission. Reports to the Commission on decisions that were enforced on the established period of time;
 - c. heads the Bureau of the Commission and is responsible for organizing daily activities of the Commission;
 - d. appoints and dismisses supporting and technical personnel of the Commission;
 - e. performs other duties assigned by the Commission.

4. A Secretary of the Commission shall have legal education and at least 5 years of working experience in management field.
5. The Commission appoints the Secretary.

Article 15. Guarantees for Independence and Impartiality of the Commission

1. The Commission, its authorities and employees, while accomplishing their own duties, must be impartial and independent from any political or financial interests and obey only the Constitution and legislation of Georgia. Illegal pressure over their activities or interference into these activities is inadmissible and will be prosecuted according to the procedure established by the legislation, and the decision, which resulted from such pressure or interference is recognized invalid.
2. Members of the Commission act within the framework of their competences, of this law, of international legal norms and principles and based on their personal faith.
3. Creation of obstacles for the activities of the Commission will be prosecuted in accordance with the legislation.

Article 16. Rules for Making Decisions

1. The Commission is competent to have a meeting if at least 6 members of the Commission are present at the meeting of the Commission. The Commission is competent to have a meeting regarding decision that was appealed if at least 5 members of the Commission are present at the meeting of the Commission.
2. The Committee is competent to have a meeting if at least 2 members are present at the meeting.
3. The Committee makes decisions by simple majority of the members present at the meeting. The vote of the chairman of the committee is decisive if votes of the members were divided in half.
4. The Commission makes decisions by simple majority of the members present at the meeting. If votes of the members were divided in half the vote of the chairman of the Commission is decisive.

Article 17. Legal Acts of the Commission and the Committee

1. The Commission and the Committee in accordance with the rules set by the legislation, within the limits of its authority adopt the following legal acts: decision of the Commission, decision of the Committee and ordinance of the chairman of the Commission.
2. Decisions of the Commission and of the Committee, ordinance of the chairman of the Commission are individual legal acts, which are adopted within the limits of the authority granted to them by the legislation.
3. Legal acts of the Commission and the Committee are adopted (issued) at their meetings.
4. The Commission adopts Statute of the Commission.
5. The Chairman of the Commission issues ordinances in specific cases defined by this law and the Statute of the Commission.

Article 18. Functions and Competences of the Commission

1. Competences, rules of activities and structure of the Commission are defined by the present law and the statute of the Commission.
2. In accordance to the rules set by the legislation the Commission is authorized to:
 - a) On its own initiative or upon the petition of a party request and receive information from any natural and legal person or state institution related to the application that the Commission has accepted to consider;
 - b) On the initiative of one of the parties, without any independent request related to the application, involve in the case a third person. This decision is taken with consideration of positions of the parties;

- c) prepare annual reports on completed activities and submit it to the Parliament, the President and the Government of Georgia;
 - d) consider complaints of authorized persons against decisions of the Commission regarding newly found circumstances;
 - e) consider complaints of authorized persons against decisions of the Committee on the merits, regarding newly found circumstances and violations of procedures established by this law;
3. For the purpose of effective accomplishment of its own functions the Commission is entitled:
 - a) To carry out administrative competences;
 - b) if necessary, mediate arguments and facilitate conciliation;
 4. Any institution, official and private person shall upon the request of the Commission provide it with information or document that it has, assist the Commission in carrying out certain activities based on its competences. Relevant institutions and persons shall give the requested information immediately, in no longer than 10 days period of time.
 5. The Commission shall in case of revealing signs of crime related to the case under revision to immediately send it to relevant agencies.
 6. The decisions made by the Commission and the Committee are mandatory to be enforced within the whole territory of Georgia.
 7. For the purpose of efficient achievement of goals and carrying out activities envisaged by this law a Member of the Commission upon the instructions of the Chairman of the Commission or the Committee is authorized to:
 - a) collect evidence, check the place and request from administrative bodies and private persons any information or document, record, to task them to find and process the information; also, based on the procedure established by the legislation, immediately familiarize itself with and request files of not only completed but also in the process of investigation criminal case;
 - b) upon the order of a judge, without prior notification enter, check and study any territory;
 - c) Receive explanation from any person, invite that person to the meeting of the Commission or a Committee and ask him/her to give there explanation;
 - d) Request certain information from state institutions of Georgia and other countries, also receive explanation from a citizen of other country, person who is in the territory of other state, with prior consent of that state and with rules and conditions set in international agreements of Georgia.
 8. Competences envisaged in article 7 provision “b” over immovable property in possession of the state or local municipality are carried out by a member of the Commission without an order of a judge.
 9. Case proceedings of the Commission and the Committee are held by the rules set in Georgian civil procedures legislation if something else is not envisaged by this law.

Article 19. Committees of the Commission

1. For effectiveness of the activities of the Commission and timely revision of the applications received, for the purpose of restitution of illegally confiscated property during the conflict, of providing adequate (substitute) residence and compensation of property damage Committees are established.
2. A Committee is chaired by the Chairman, who is elected by the Commission.
3. The Commission establishes the Committees from the members of the Commission on the parity basis with 3 members in each committee.

Article 20. Competences of Committee

For effectiveness of activities the committee is authorized to:

- a) accept and revise applications of an authorized person regarding property restitution and receiving back other immovable property;
- b) find complete information related to the case for the purpose of comprehensive, thorough and objective revision of the case;
- c) on the basis of an application or on its own initiative find evidence on property damage suffered by the applicant;
- d) on its own initiative or upon the petition of a party request and receive from any natural or legal person or state institution any information related to the application that was received by the committee;
- e) on the initiative of one of the parties, without any independent request related to the application, involve in the case a third person. This decision is taken with consideration of positions of the parties;
- f) receive and process applications of citizens;
- g) make analysis and generalization of the received information;
- h) take decisions regarding specific cases;
- i) carry out other competences envisaged by this law and Statute of the Commission.

Article 21. Liability for Creating Obstacles for Activities of the Commission and Committee

1. The Commission and the Committee are authorized to impose a fine on any natural or legal person, who:
 - a) violates requirements of this law;
 - b) does not enforce decision of the Commission or the Committee and Ordinance of the Chairman of the Commission;
 - c) does not provide in the set term information and documentation what was lawfully requested;
 - d) makes public in advance expected result of the investigation or does such action that endangers or hinders objective and comprehensive examination of the case;
 - e) creates obstacles for a body defined by this law or its officials in fulfilling its duties defined by this law;
 - f) does not come to a meeting of the Commission or the Committee without a justified excuse, deliberately misleads or provides false information to the Commission or the Committee, or does not provide the information it possesses, which is necessary for case consideration.
2. Violation of requirements given in prevision 1 of this article will be followed by a fine in the amount of 20 to 50 times of minimum remuneration for work.
3. Decision on fining a person shall be taken at the meeting of the Commission, which would be open for public. A person whose case is being considered shall be given a reasonable period of time for presenting his/her opinion.
4. In case when a person might be fined he/she shall be informed on grounds for imposing a fine on him. The Commission and the Committee shall explain to that person in what is his/her blame.
5. Decision on imposing a fine is taken in accordance with the Georgian Administrative Violations Code.

Article 22. Reporting and Recommendations

1. Every six months the Commission shall submit to the Parliament, the President and the Government of Georgia periodic reports.
2. The reports shall include description of the materials collected as well as report on activities, financial report and the recommendations for measures necessary for political, administrative and other reforms meant to achieve the goals set for the Commission.
3. The Commission is entitled to submit to the Parliament, the President and the Government of Georgia information on specific or general issues, if:

- a) the issue involves public interest;
 - b) the issue requires immediate reaction from the Parliament, the President and the Government or their interference;
 - c) there is a requirement of the President, the Government and at least 1/3 of the members of the Parliament.
4. After submitting the report to the President, the Parliament and the Government the Commission shall publish the report to existing electronic and/or printed media; also ensure freedom of public access to the report.
 5. After publishing of the report, the Commission conducts monitoring of implementation of the recommendations made by the Commission and facilitates their implementation.

Article 23. Location of the Commission

1. The Commission is located in Tbilisi.
2. Based on circumstances of a certain case the Commission may also gather at another place.

Chapter III. Revision of Restitution and Compensation Cases

Article 24. The Right to Apply to the Commission

1. forced migrants and other persons, who suffered property damage as a result of the conflict, can apply to the Commission without distinction of their citizenship.
2. In the cases defined in the present law forced migrants and other persons can apply to the Commission within 7 years from the moment when the Commission started to exercising its competences.
- 3.

Article 25. Application

1. The application must include:
 - a) First name and surname of the applicant;
 - b) Information on what resulted in property damage;
 - c) Request on restitution of initial residence or other belonged immovable property or on receiving equivalent compensation.
4. The application may be supplemented with evidences, which the applicant disposes.

Article 26. Starting the Proceedings

1. The Commission starts the proceedings if there is an application of the victim or his/her heir. An application can be presented in any language.
2. The application will immediately be forwarded to relevant committee. The committee makes the decision on accepting or rejecting of the application within 3 months.
3. The Committee is entitled to reject an application if
 - a) the application clearly has no ground;
 - b) Consideration of the application is not within the competences of the Commission;
 - c) Set by this law term for application has expired;
 - d) There already is a decision of the Commission or court on the property under the question.
4. The Commission is entitled to reject receive the appeal against the decision if
 - a) the appeal clearly has no ground;
 - b) there are no newly discovered circumstances to appeal the decision of the Commission;
 - c) there is no fact of procedural violation is it is established by the law to appeal the decision of the Commission;

- d) Set by this law term for application has expired;
- e) There already is a decision of the Commission or court on the property under the question.

Article 27. Case Proceeding

1. The Commission and the Committee hold proceedings on applications based on formal administrative procedure rules established by the General Administrative Code, taking into considerations norms of this law.
2. Proceeding in the Commission and the Committees are held in state language of Georgia. In the Commission and the Committees, considering interests of the parties, as working languages in addition to Georgia can be used Ossetian. Decision on using one of international languages is taken by the Commission in accordance with the procedure prescribed by the Statute. Participation of an interpreter in the case proceedings shall be ensured.
3. The Commission makes (publishes) the final decision within maximum of 6 months from the moment of accepting the application.
4. In case of existence of special circumstances, if the facts indicated in the application need to be investigated, which may be related to complicated administrative procedures, the term for taking final decision must not exceed 9 months.
5. The Commission and the Committee within the framework of their competences take the following decision:
 - a) to fully satisfy the application;
 - b) to partially satisfy the application;
 - c) to reject the application;
6. The decision shall be substantiated.
7. The decision of the Commission to satisfy the application shall define grounds, conditions and procedure for returning to initial residence, providing adequate (substitute) residence and property damage compensation.
8. The decision of the Commission and the Committee shall enter into force from the moment of declaring it in public at the hearing.
9. The Commission and the Committee shall issue an enforcement paper on decisions that were taken and entered into force.
10. Based on circumstances the Commission has a right to take a decision on postponing eviction of a *mala fide* owner.

Article 28. Appealing Against Decision of the Commission

1. It is possible to appeal against decision made by the Commission in case of violation of procedures prescribed by this law at Supreme Court of Georgia, or at the Commission in case of newly found circumstances. Decisions of the Committee may be appealed at the Commission on the merits, in case of violations of procedures established by this law and relating to newly found circumstances.
2. Term for appealing a decision of the Committee is 1 month from the moment when the decision entered into force. During this term enforcement of the decision is suspended.
3. Application on appealing decision based on newly found circumstances may be presented in 90 days period of time from the date when those circumstances became know.
4. In case of violations of procedures prescribed by this law the term for appeal is 3 months time from the date when the decision was taken.
5. In case of appeal enforcement of the decision, as a rule, shall not be suspended. Although the Commission has a right to suspend the enforcement on the petition of a party.
6. Regarding the appealed decision the Commission takes a decision based on the procedure established for the case proceedings. During this time those members of the Committee

who took the decision that was appealed can not participate in the work of the Commission.

Chapter IV.

Rules for Restitution and Compensation

Article 29. General Norms of Property Restitution and Compensation

1. Initial residence and other immovable property connected to it shall immediately be returned to its lawful owner if the property
 - a) is owned by state/self-government;
 - b) is in possession of a *mala fide* owner.
2. If the initial property or other immovable property is owned by a *bona fide* owner it may be returned to its initial owner only after the *bona fide* owner receives adequate (substitute) immovable property or, in case of his/her desire, pecuniary compensation.
3. In case of destruction, demolition or reconstruction of the property the initial resident shall receive other adequate (substitute) immovable property of the same value.
4. As compensation the initial resident must receive adequate (substitute) immovable property of similar market value for the moment of transfer of property in the same place where the confiscated or seized property was located. It is possible to hand over immovable property of different type with the consent of the initial resident.
5. If the immovable property requires rehabilitation-reconstruction works presumable cost of such works shall be reimbursed.
6. Based on the decision of the Commission pecuniary compensation may be paid only in case if it is impossible to return initial residence and immovable property related to it or to give adequate (substitute) immovable property.

Article 30. Property that Shall not be a Subject of Restitution

1. The property shall not be a subject of restitution if by the time of demand of its restitution it is located within the area in which handing over a property to natural or legal persons is forbidden by law.
2. In the case envisaged by provision 1 of this article a lawful owner shall receive an adequate (substitute) immovable property and when that is impossible he/she shall receive material compensation.

Article 31. Calculation of Value of Property

1. Immovable property that is subject to restitution and adequate (substitute) immovable property shall be evaluated from the moment of transfer of the property based on its market value. That property is evaluated based on the same criteria while deciding on giving pecuniary compensation.
2. If there is a difference in value between the initial residence, other immovable property and adequate (substitute) immovable property subject to restitution according to the decision of the Commission, the difference shall be paid from the fund of the Commission, except the value that was caused by natural depreciation of the property.

Article 32. Paying Compensation

1. Pecuniary compensation shall at once or in stages but no longer than 1 year period after the decision of the Commission was taken.
2. In case if, based on this law, the receiver of the property chooses Georgia as his/her permanent residence place he/she shall receive a one time and monthly aid.

3. Amount of one time aid is 1500 Lari per person for the receiver of the property and his/her family members.
4. Monthly aid shall be paid during 6 months and its amount is defined by the Commission based on the minimal consumer basket.

Chapter V. Financing of the Commission. Social Protection of the Members of the Commission

Article 33. Financing of the Commission

1. Activities of the Commission and the Committee and measures that should be taken on the basis of their decisions shall be funded from the Fund of the Commission.
2. The rules of establishment of the Fund of the Commission are defined by the present law and the Statute of the Commission.
3. The sources of filling the Fund of the Commission are the State Budget, grants, charity contributions made by governments of other states, international and non-governmental organizations or private persons, also property in question given by the State and *mala fide* owners.
4. The Commission has a bank account which accounts the resources of the Fund.
5. The Commission submits its budget to the Government based on the procedure and term provided by the legislation.

Article 34. Salaries and Social Protection of the Members of the Commission

1. The salaries and material benefits of the members of the Commission can not be less than the salaries and material benefits of the members of appeals court of Georgia. It is inadmissible to reduce the salary of the member of the Commission during the whole period of his competences.
2. For those members who were appointed by the quota of international organizations additional remuneration may be paid amount of which and payment procedure shall be defined by the Statute of the Commission.

Article 35. Control of the Finances of the Commission

1. The Commission is responsible to:
 - a) keep the accounting records and other documents related to the activities of the Commission;
 - b) prepare quarterly accounting, which includes information about monthly expenses;
 - c) provide comprehensive information about the information systems of Commission management based on budgetary control;
 - d) ensure lawful management of funds by the Commission.
2. Annual audit of the budgetary fund management is performed by the Chamber of Control, and management of other resources of the Commission is audited by a high reputation independent auditor appointed by the Commission. Accounting of the Commission and conclusions of the auditors will be submitted to the Parliament of Georgia, President of Georgia and other sponsors of the Fund of the Commission.

Chapter VI. Transitional Provisions

Article 36. Measure to be Taken by the Commission

1. The Commission shall be formed in 5 months time from the date of the present law coming into force.

2. Before election of the Chairman the first meeting of the Commission is chaired by the eldest member of the Commission. At the same meeting the Chairman and the secretary of the Commission are elected in accordance with the set rules.
3. First chairpersons of the Commission and the Committee shall be the persons selected by the quota of subjects of international law.
4. The Commission shall adopt its Statute no later than 2 months from the date when it was formed.
5. The Commission starts receiving of applications in 9 months after the present law comes into force.

Chapter VII. Summary Provisions

Article 37. Coming into Force

The present law comes into force from January 1, 2007.

The President of Georgia

Mikheil Saakashvili