

ANNEX XV
APPROXIMATION

ANNEX XV-A

RULES APPLICABLE TO FINANCIAL SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

A. BANKING

Directive 2007/44/EC of the European Parliament and of the Council of 5 September 2007 amending Council Directive 92/49/EEC and Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC as regards procedural rules and evaluation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector

Timetable: the provisions of Directive 2007/44/EC shall be implemented within six years of the entry into force of this Agreement.
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Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.
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Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions¹

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions²

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

¹ Georgia may however postpone the implementation of the more advanced approaches for the respective risks and the implementation of the rules for the trading book. Georgia will encourage the development of capabilities within its banking sector and regulatory authorities towards the use of more advanced approaches over the coming years, with a view to implementing those within eight years. Georgia will ensure that as long as the rules for the trading book are not implemented, the trading books of Georgian banks and investment firms fall below the *de minimis* thresholds set out in Article 18(2) of Directive 2006/49/EC.

² Georgia may however postpone the implementation of the more advanced approaches for the respective risks and the implementation of the rules for the trading book. Georgia will encourage the development of capabilities within its banking sector and regulatory authorities towards the use of more advanced approaches over the coming years, with a view to implementing those within eight years. Georgia will ensure that as long as the rules for the trading book are not implemented, the trading books of Georgian banks and investment firms fall below the *de minimis* thresholds set out in Article 18(2) of Directive 2006/49/EC.

Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement. However, Georgia may consider different levels of thresholds than the ones outlined in that Directive and will submit a proposal to the Association Council taking into account the developments of local market in Georgia, no later than five years after the entry into force of this Agreement.

Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions

Timetable: the provisions of Directive 2001/65/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings

Timetable: the provisions of Directive 2003/51/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings

Timetable: the provisions of Directive 2006/46/EC shall be implemented within four years of the entry into force of this Agreement.

Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

B. INSURANCE

Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings

Timetable: that Directive's provisions, excluding Article 33, shall be implemented within six years of the entry into force of this Agreement. The proposal regarding the implementation of Article 33 of that Directive shall be submitted to the Association Council, no later than five years after the entry into force of this Agreement.

Commission Recommendation of 18 December 1991 on insurance intermediaries (92/48/EEC)

Timetable: not applicable

Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation

Timetable: that Directive's provisions shall be implemented within eight years of the entry into force of this Agreement.

Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability

Timetable: the proposal regarding the implementation of that Directive shall be submitted to the Association Council taking into account the development of local market in Georgia, no later than five years after the entry into force of this Agreement.

Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

C. SECURITIES

Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC

Timetable: that Directive's provisions shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2007/14/EC of 8 March 2007 laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market

Timetable: the provisions of Directive 2007/14/EC shall be implemented within seven years of the entry into force of this Agreement.

Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement. However, Georgia may consider different levels of thresholds for the investor compensation schemes and will submit a proposal to the Association Council taking into account the development of local market in Georgia, no later than five years after the entry into force of this Agreement.

Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse)

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Commission Directive 2004/72/EC of 29 April 2004 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards accepted market practices, the definition of inside information in relation to derivatives on commodities, the drawing up of lists of insiders, the notification of managers' transactions and the notification of suspicious transactions

Timetable: the provisions of Directive 2004/72/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2003/124/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the definition and public disclosure of inside information and the definition of market manipulation

Timetable: the provisions of Directive 2003/124/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Directive 2003/125/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest

Timetable: the provisions of Directive 2003/125/EC shall be implemented within seven years of the entry into force of this Agreement.

Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

Regulation (EC) No 1060/2009 of the European Parliament and of the Council
of 16 September 2009 on credit rating agencies

Timetable: that Regulation's provisions shall be implemented within seven years of the entry into force of this Agreement.

D. UCITS

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions

Timetable: the provisions of Directive 2007/16/EC shall be implemented within six years of the entry into force of this Agreement.

E. MARKET INFRASTRUCTURE

Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009 amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims

Timetable: the provisions of Directive 2009/44/EC shall be implemented within five years of the entry into force of this Agreement.

F. PAYMENTS

Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market

Timetable: that Directive's provisions shall be implemented within six years of the entry into force of this Agreement.

Regulation (EC) No 924/2009/EC of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community

Timetable: that Regulation's provisions shall be implemented within five years of the entry into force of this Agreement.

G. ANTI MONEY LAUNDERING

Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

Timetable: that Directive's provisions shall be implemented within two years of the entry into force of this Agreement.

Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis

Timetable: the provisions of Directive 2006/70/EC shall be implemented within two years of the entry into force of this Agreement.

Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds

Timetable: that Regulation's provisions shall be implemented within three years of the entry into force of this Agreement.

ANNEX XV-B

RULES APPLICABLE TO TELECOMMUNICATION SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive) as amended by Directive 2009/140/EC

The following provisions of Directive 2002/21/EC shall apply:

- strengthening the independence and administrative capacity of the national regulator in the field of electronic communications,
- establishing public consultation procedures for new regulatory measures,
- establishing effective mechanisms for appeal against the decisions of the national regulator in the field of electronic communications,
- defining the relevant product and service markets in the electronic communications sector that are susceptible to *ex ante* regulation and analyse those markets with a view to determining whether significant market power (SMP) exists on them.

Timetable: those provisions of Directive 2002/21/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive) as amended by Directive 2009/140/EC

The following provisions of Directive 2002/20/EC shall apply:

- implementing a regulation providing for general authorisations and restricting the need for individual licences to specific, duly justified cases.

Timetable: those provisions of Directive 2002/20/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive) as amended by Directive 2009/140/EC

Based on the market analysis carried out in accordance with Directive 2002/21/EC the National regulator in the field of electronic communications shall impose on operators found to have significant market power (SMP) on the relevant markets, appropriate regulatory obligations with regard to:

- access to, and use of, specific network facilities,
- price controls on access and interconnection charges, including obligations for cost-orientation,
- transparency, non-discrimination and accounting separation.

Timetable: those provisions of Directive 2002/19/EC shall be implemented within three years of the entry into force of this Agreement.

Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive) as amended by Directive 2009/136/EC

The following provisions of Directive 2002/22/EC shall apply:

- implementing regulation on Universal Service obligations (USO), including the establishment of mechanisms for costing and financing,
- ensuring the respect of users' interests and rights, in particular by introducing number portability and the single European Emergency Call number 112.

Timetable: those provisions of Directive 2002/22/EC shall be implemented within five years of the entry into force of this Agreement.

Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) as amended by Directive 2009/136/EC

The following provisions of Directive 2002/58/EC shall apply:

- implementing regulation to ensure protection of fundamental rights and freedoms, and in particular the right to privacy, with respect to the processing of personal data in the electronic communication sector and ensure the free movement of such data and of electronic communication equipment and services.

Timetable: those provisions of Directive 2002/58/EC shall be implemented within three years of the entry into force of this Agreement.
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Decision 676/2002/EC of the European Parliament and of the Council of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Community

- adopt policy and regulation ensuring the harmonised availability and efficient use of spectrum.

Timetable: the measures resulting from the operation of that Decision shall be implemented within three years of the entry into force of this Agreement.
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ANNEX XV-C

RULES APPLICABLE TO POSTAL AND COURIER SERVICES

Georgia undertakes to gradually approximate its legislation to the following EU legislation within the stipulated timeframes:

Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services

Timetable: the provisions of Directive 2002/39/EC shall be implemented within five years of the entry into force of this Agreement.

Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services

Timetable: the provisions of Directive 2008/6/EC shall be implemented within five years of the entry into force of this Agreement.

ANNEX XV-D

RULES APPLICABLE TO INTERNATIONAL MARITIME TRANSPORT

Georgia undertakes to gradually approximate its legislation to the following EU legislation and international instruments within the stipulated timeframes:

Maritime safety- flag state / classification societies

Directive 2009/15/EC of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 391/2009 of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Flag State

Directive 2009/21/EC of the European Parliament and of the Council of 23 April 2009 on compliance with flag State requirements

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Port State Control

Directive 2009/16/EC of the European Parliament and of the Council of 23 April 2009 on port State control¹

The provisions of that Directive shall apply with the exception of:

- recital (15) of the Preamble of that Directive,
- the fourth indent of point 1 of Annex XII to that Directive (related to the producing of white, grey and black lists of flag states),
- Article 16 of that Directive, related to the access refusal measures to certain ships,

¹ Repealing Council Directive 95/21/EC of 19 June 1995 concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (port State control).

- provisions of that Directive which make specific reference to the Paris Memorandum of Understanding on Port State Control, namely recitals (9), (13), (14), (30), and (40) of the Preamble, points (b) and (c) of Article 1, points 2, 4 and 22 of Article 2, paragraph 2 of Article 3, point (b) of paragraph 2 and paragraph 3 of Article 5, paragraph 3 of Article 7, points (a) and (b) of paragraph 1 and point (a) of paragraph 3 of Article 8, paragraph 3 of Article 10, point (b) of paragraph 1 of Article 13, paragraph 4 of Article 19, paragraph 1 of Article 24, Article 26, point (a) of the first paragraph of Article 32, Article 33, subpoints 1(c)(i) and (ii), 1(d)(i) and (ii), 1(e)(i) and (ii) of point I of Annex I, subpoints 1, 2A, and 2 B of point II of Annex I, point (f) of Annex III, Annex VI, points 2 and 11 of Annex VIII, subpoint 13 of point 3.2 of Annex X, point 1 of Annex XII

Timetable: that Directive's provisions, with the exception of the list above, shall be implemented within five years of the entry into force of this Agreement.

Vessel Traffic Monitoring

Directive 2002/59/EC of the European Parliament and of the Council of 27 June 2002 establishing a Community vessel traffic monitoring and information system

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Accident Investigation

Directive 2009/18/EC of the European Parliament and of the Council of 23 April 2009 establishing the fundamental principles governing the investigation of accidents in the maritime transport sector

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Liability of carriers of passengers

Regulation (EC) No 392/2009 of the European Parliament and of the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 336/2006 of the European Parliament and of the Council of 15 February 2006 on the implementation of the International Safety Management Code within the Community

Timetable: that Regulation's provisions shall be implemented within three years of the entry into force of this Agreement.

Technical and operational rules

Passenger ships

Directive 2009/45/EC of the European Parliament and of the Council of 6 May 2009 on safety rules and standards for passenger ships

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Council Directive 1999/35/EC of 29 April 1999 on a system of mandatory surveys for the safe operation of regular ro-ro ferry and high-speed passenger craft services

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 2003/25/EC of the European Parliament and of the Council of 14 April 2003 on specific stability requirements for ro-ro passenger ships

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Oil tankers

Regulation (EC) No 417/2002 of the European Parliament and of the Council of 18 February 2002 on the accelerated phasing-in of double hull or equivalent design requirements for single hull oil tankers

The timetable of phasing-out single hull tankers will follow the schedule as specified in the MARPOL Convention.

Bulk carriers

Directive 2001/96/EC of the European Parliament and of the Council of 4 December 2001 establishing harmonised requirements and procedures for the safe loading and unloading of bulk carriers

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Crew

Directive 2008/106/EC of the European Parliament and of the Council of 19 November 2008 on the minimum level of training of seafarers

Timetable: that Directive's provisions shall be implemented within three years of the entry into force of this Agreement.

Environment

Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Regulation (EC) No 782/2003 of the European Parliament and of the Council of 14 April 2003 on the prohibition of organotin compounds on ships

Timetable: that Regulation's provisions shall be implemented within four years of the entry into force of this Agreement.

Technical conditions

Directive 2010/65/EU of the European Parliament and of the Council of 20 October 2010 on reporting formalities for ships arriving in and/or departing from ports of the Member States

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Social conditions

Council Directive 92/29/EEC of 31 March 1992 on the minimum safety and health requirements for improved medical treatment on board vessels

Timetable: that Directive's provisions shall be implemented within four years of the entry into force of this Agreement.

Council Directive 1999/63/EC of 21 June 1999 concerning the Agreement on the organisation of working time of seafarers concluded by the European Community Shipowners' Association (ECSA) and the Federation of Transport Workers' Unions in the European Union (FST) – Annex: European Agreement on the organisation of working time of seafarers

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Directive 1999/95/EC of the European Parliament and of the Council of 13 December 1999 concerning the enforcement of provisions in respect of seafarers' hours of work on board ships calling at Community ports

Timetable: that Directive's provisions shall be implemented within five years of the entry into force of this Agreement.

Maritime security

Directive 2005/65/EC of the European Parliament and of the Council of 26 October 2005 on enhancing port security

Timetable: that Directive's provisions (except those concerning Commission inspections) shall be implemented within four years of the entry into force of this Agreement.

Regulation (EC) No 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security

Timetable: that Regulation's provisions (except those concerning Commission inspections) shall be implemented within four years of the entry into force of this Agreement.
