



## GYLA calls on the Prosecutor's Office of Georgia to launch an investigation

GYLA addresses the Chief Prosecutor's Office and demands to launch an investigation. In particular, the case refers to non-fulfillment of the agreement between LEPL National Agency of State Property and LLC International Events on the transfer of 100% state ownership of the LLC Tbilisi Concert Hall.

According to correspondence of May 16, 2018 of the National Agency of State Property, LLC [REDACTED] Events A has not submitted any documentation confirming the fulfillment of its contractual obligations. In addition, the **outstanding amount of the management fee amounted to 950,140 GEL as of May 14, 2018, and the penalty imposed on the same period is 1,606,394 GEL and USD 10,102.**

# საქართველოს ახალგაზრდა იურისტთა ასოციაცია GEORGIAN YOUNG LAWYERS' ASSOCIATION



The accumulated indebtedness indicates that the manager has not been able to perform the duties in good faith over the years from 2010 till to date, has failed to pay the management fees and the incurred penalties despite a number of warnings. In addition, he/she does not fulfill other contractual obligations.

Regardless of the systematic failure to pay the fee and non-fulfilment of the contractual obligations by LLC [REDACTED] Events A the Ministry of Economic Development of Georgia shows reluctance to use the right determined by the Agreement and terminate the Agreement unilaterally. GYLA has already applied to the Agency with the request to terminate the agreement, but has not received any response from the Agency yet. Thus, the ineffective use of the state property is obvious, which harms the state budget as well as the State's interest to use the concert hall located in the capital city appropriately. The above fact also raises suspicions of an alleged illegal agreement between the administrative authority and the abovementioned LLC.