

GIFTS RECEIVED BY MPS IN 2017-2018

Transparency International Georgia continues to monitor public officials' asset declarations.¹ This time, our report concerns sizeable gifts received by MPs and their family members, mainly offered by their close relatives.

The following is the list of MPs and their family members who, according to the latest asset declarations they submitted (2017-2018), accepted sizeable gifts.²

Gift recipient	Gift giver	Amount	Declaration
Davit Matikashvili (Majority)	Father	USD 120,000	
Tamar Muchiashvili Roman Muchiashvili's wife (Majority)	Not indicated	USD 50,000	
Kakhaber Okriashvili (Majority)	Son	Shares (according to declaration, worth GEL 1,250,000)	
Tinatin Kikilashvili Irakli Sesiashvili's wife (Majority)	Relative	Shares (according to declaration, worth USD 12,900)	
Nino Tsilosani (Majority)	Father	GEL 100,000	
Tea Kvizhinadze Irakli Abuseridze's wife (Majority)	1. Father 2. Grandmother 3. Father	1. Flat worth USD 80,000 2. Flat worth USD 180,000 3. Basement worth USD 5,000	
Zaza Gabunia (Majority)	Family member	USD 56,000	
Tinatin Abralava Vano Zardiashvili's wife (Majority)	Not indicated	1. Flat worth GEL 170,000 2. Flat worth GEL 60,000	
Margalita Chkonია Mukhran Vakhtangadze's wife (Majority)	Not indicated	Flat worth USD 27,600	
Tatia Sakhelashvili Shalva Kiknavelidze's wife (Majority)	Parents	Car worth USD 22,000	
Eka Kandelaki Giorgi Tsereteli's wife (Minority)	1. Parent 2. Not Indicated	1. USD 5,000 2. GBP 4,912	

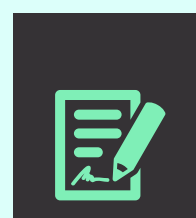
WHAT ARE THE LEGAL REQUIREMENTS?



Public officials are not prohibited from accepting gifts but some restrictions are in place.



The total value of gifts received during the reporting year must not exceed 15 percent of their annual remuneration in the given position, while the value of each single gift must not exceed 5 percent of that amount.



Public officials have an obligation to indicate in their asset declarations the gifts worth more than GEL 500 received by them or their family members.

EXCEPTIONS



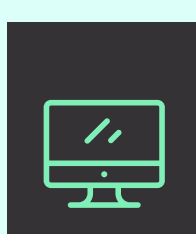
Property transferred into the ownership of civil servants or their family members free of charge or on beneficial terms by close relatives (including family member, parent or sibling), however, this does not relieve public officials of the obligation to declare gifts received from close relatives.

ADDITIONAL RESTRICTION FOR MPS – A NEW PROVISION IN THE MP CODE OF CONDUCT

According to the Code of Conduct adopted on 31 October, an MPs now have an additional obligation to provide Parliament, namely, the Ethics Council, with information about the gifts they receive.



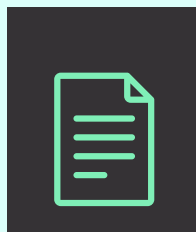
The Ethics Council scrutinises and monitors possible violations concerning gifts.



In the event of establishing a violation, such information about an MP will be published on the website; in addition, the Council is authorised to address this MP with a note of recommendation.



According to the Code of Conduct, MPs are prohibited from accepting any gifts that could influence their office obligations.



MPs are obliged to declare with the gift registry the gifts worth more than GEL 300 as determined by the law within one month.



The following information must be provided in the gift registry:

- ▶ Given name and surname of the gift recipient MP;
- ▶ Given name and surname / name of a legal person who made the gift;
- ▶ Date of receiving the gift;
- ▶ Description and value of the gift.

The gift registry is public and is managed by the Ethics Council Secretariat.

ASSESSMENT AND RECOMMENDATIONS

The form of a public official's declaration, in which an MP is expected to include information about gifts, does not contain a field for indicating the identity of a person who offered the gift, while the law unequivocally requires that such a person be indicated in the declaration along with other kinds of information. As a result, it can be said that the declaration form establishes a lower standard of transparency than the law, which, naturally, is a failure to fulfil the requirements of the law.

The examination of asset declarations submitted by public officials revealed that MPs often fill out the information about their gifts in different fields but no information is ever included about the identity of a person who offered the gift.

The absence of an upper limit for gifts received from close relatives can be reasonable and justified but, at the same time, there is a danger that (if there is no adequate oversight) this exception could become a means for circumventing the legal requirements which will be used by unscrupulous public servants to hide or "launder" the income prohibited by the law – that is to say, improper income would be declared as a gift received from a family member or a close relative. As demonstrated by infographics, MPs mostly receive expensive gifts precisely from their close relatives. For more details on this topic, see the [blog post](#) published by Transparency International Georgia on 7 March.

To prevent corruption and a violation of the law:

- The Civil Service Bureau must ensure that the declaration form and the instruction are changed in accordance with the law. Public officials must indicate the identity of a person who offered a gift in their declaration;
- Considering corruption risks, the Civil Service Bureau must thoroughly scrutinise monetary gifts accepted by MPs from their close relatives.

1 See our blog about gifts received by public officials: "Gifts received by public officials need to be studied further", Transparency International Georgia, 7 March 2018, <https://goo.gl/n35Hgm>

2 <https://declaration.gov.ge/Home/DownloadPdf/107420>
<https://declaration.gov.ge/Home/DownloadPdf/107312>
<https://declaration.gov.ge/Home/DownloadPdf/111837>
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