

ANNEX XXXIV

ANTI-FRAUD AND CONTROL PROVISIONS

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

EU Convention of 26 July 1995 on the protection of the European Communities' financial interests; the following provisions of that Convention shall apply:

- Article 1 – General provisions, definitions;
- Article 2(1) by taking the necessary measures to ensure that the conduct referred to in Article 1, and participating in, instigating, or attempting the conduct referred to in Article 1(1), are punishable by effective, proportionate and dissuasive criminal penalties;
- Article 3 – Criminal liability of heads of businesses

Timetable: those provisions of that Convention shall be implemented within four years of the entry into force of this Agreement.

Protocol to the Convention on the protection of the European Communities' financial interests; the following provisions of that Protocol shall apply:

- Article 1(1)(c) and 1(2) – Relevant definitions;
- Article 2 – Passive corruption;
- Article 3 – Active corruption;
- Article 5(1) by taking the necessary measures to ensure that the conduct referred to in Articles 2 and 3, and participating in and instigating the conduct in question, are punishable by effective, proportionate and dissuasive criminal penalties;
- Article 7 as far as it refers to Article 3 of that Convention

Timetable: those provisions of that Protocol shall be implemented within four years of the entry into force of this Agreement.

Second Protocol to the Convention on the protection of the European Communities' financial interests; the following provisions of that Protocol shall apply:

- Article 1 – Definition;
- Article 2 – Money laundering;
- Article 3 – Liability of legal persons;
- Article 4 – Sanctions for legal persons;
- Article 12 as far as it refers to Article 3 of that Convention

Timetable: those provisions of that Protocol shall be implemented within four years of the entry into force of this Agreement.