



ბანკოტარქიბისა და დემოკრატიის ცენტრი

STATEMENT

Regarding the importance of financial transparency for media owners

27 September, 2019 Year

For the years, local observation organization CDD actively works for the development of the democratic processes and legislative procedures in Georgia. In the following statement, we want to stress the importance of the financial transparency of the media owners. „Media owners’ financial transparency is one of the important aspects in the modern democratic states. It is important for the citizens to have accesses to the information about who stands behind the media and if they serve someone’s political and business interests. According to the legislation of Georgia, for the newly established media, for receiving the appropriate coverage and license, the owner should deliver not only the administrative proceedings but all the necessary documentation about owner’s assets, ownerships and origins, as well as significant shareholder declarations. To our assessment, the aforementioned legislative regulation is relevant and promotes the transparency of the full information about the founders, their shares and origins of it, when founding the media. However, procedures related to the allocation or sale of shares need to be refined. Despite the current regulations, there is still some unregulated procedure in the process of alienating the shares of media founders. The legislation does not provide the use of the same standard and the same degree of transparency on the next stage as is required on the establishment stage. In that case, conversely the initial registration of the media, ownership and origin of the founders/new owners is not required. Legislation only requires a "declaration of conformity" when alienating a share, which contains quite a bit of information about media owners, which raises some questions for public. The public should have complete information about the individuals who own some media outlets and their associates. Therefore, it is advisable that the legislation have to take into consideration the full information about the media owners and their revenue transparency obligation not only during applying the initial licensing but also in the case of owners’ subsequent changes (alienation of organization’s share). This commitment will promote transparency of the media owners’ incomes and increase the level of media trust for the public. The audience will be able to clearly see and evaluate editorial policies, the objectivity and credibility of the news coverage, full information on what the activity of one or more media outlets is, whether it is in the interest of a particular community or particular force, business or political party, which we think will help to improve the media environment in the country. "