

## Legal Status of the Dog Hotel “Lucky Dog Hotel”

The Dog Hotel “**Lucky Dog Hotel**” is a structural unit of the non-commercial (non-entrepreneurial) legal entity (NPE) Legal Status of the Dog Hotel “Lucky Dog Hotel”

The Dog Hotel “Lucky Dog Hotel” is a structural unit of the non-commercial (non-entrepreneurial) legal entity (NPE) “Georgian Society for the Protection and Rescue of Animals” – GSPSA (Registered No. 205151847).

The Dog Hotel Lucky Dog Hotel is a subsidiary performing entrepreneurial activities of an auxiliary nature\*, the profit from which must be used only for the realization of the charitable goals of the non-commercial organization, in our case, the care and well-being of homeless and unsheltered animals, as well as animals living in the animal village “Richi”.

The purpose of opening and operating the hotel is also charitable!

### **\*Explanation - Auxiliary entrepreneurial activity:**

*According to Article 25, Paragraph 5 of the Civil Code, a non-profit legal entity is entitled to engage in auxiliary entrepreneurial activity, the profit from which must be used to realize the goals of the non-profit legal entity. Distribution of profit resulting from such activity among the founders, members, donors, as well as persons with management and representative authority of a non-profit (non-commercial) legal entity is not permitted.*

*Based on the above, the right to carry out auxiliary entrepreneurial (economic) activity is guaranteed by the legislation of Georgia, both for charitable organizations and for other non-profit legal entities.*

*In the case of commercial activities by a non-profit legal entity and/or charitable organization, the following requirements of the legislation must be observed:*

- Profits from auxiliary entrepreneurial/economic activities must be used to realize the goals of the organization;*
- The non-profit legal entity/charitable organization must not essentially switch to entrepreneurial activities;*
- Entrepreneurial/economic activities must be of an auxiliary nature;– GSPSA (Registered No. 205151847).*