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# Determining Marital Property: Legal-Economic Approaches in the Practice of the Supreme Court of Georgia

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Abstract: Spousal property regimes, particularly the distinction between joint and individual property, are fundamental components of family law. In Georgia, this area is primarily governed by the Civil Code of Georgia, which presumes that all property acquired during marriage unless otherwise agreed upon by the spouses through a marriage contract constitutes joint marital property. This presumption ensures that both spouses, regardless of their individual financial contributions, are entitled to share equally in the economic gains of the marriage. At the same time, the law recognizes individual property, which is excluded from the coownership regime. Individual property includes assets owned prior to marriage, as well as property acquired during marriage through inheritance or as a gift. This distinction not only safeguards the personal autonomy of each spouse but also helps prevent disputes over assets that were never intended to be shared. Judicial practice shows that this division is not always straightforward. Complexities arise when individual property is improved, maintained, or transformed using joint resources, thereby blurring the boundaries between personal and marital property.

**Keywords:** Civil Code of Georgia; Marriage; Co-ownership of spouses; Property division; Matrimonial property regimes; Supreme Court of Georgia

## 1. Introduction

Property relations between spouses form a core aspect of marital law, as they directly affect the financial security of both partners and their family unit. In Georgia, disputes over property frequently arise during divorce proceedings, where the

classification of assets - whether as joint or individual property becomes a central legal question. The Supreme Court of Georgia often addresses cases concerning the division of property acquired during marriage, and its interpretation of Article 1158 of the Civil Code of Georgia has played a decisive role in shaping

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the understanding of spousal co-ownership. The principle of presumed joint ownership is designed to protect economically weaker spouses often those who contributed through unpaid domestic labor - ensuring they are not disadvantaged in property disputes. This study aims to analyze the statutory framework of spousal co-ownership in Georgia, examine judicial interpretations and practical challenges of matrimonial property regimes, with the goal of proposing potential recommandations to ensure greater fairness and legal clarity.

## 2. Methods

The methodological framework relies on general scientific methods, including historical, normative and logical approaches. By applying these methods, the study examines the relevant legal issues in modern context and the challenges of classifying and dividing property acquired during marriage, with a particular focus on the interpretation of Article 1158 of the Civil Code of Georgia by the Supreme Court. Through an analysis of legislative provisions and judicial practice, it highlights existing legal uncertainties, practical challenges, and potential reforms. The research is grounded in Georgian civil legislation and supported by scientific monographs, periodicals, and normative literature, which form the basis for drawing conclusions and developing *de lege ferenda* recommendations.

#### 3. Results

The research revealed significant challenges in determining the legal status of property acquired during marriage within Georgian judicial practice. Disputes between spouses often arise due to uncertainties in distinguishing between joint and individual property, making judicial interpretation and application of Article 1158 of the Civil Code of Georgia critical. Joint property may be divided during marriage, if spouses wish to separate assets while remaining married, or upon termination of marriage, through divorce or inheritance proceedings. Any property not explicitly divided remains part of the joint estate, and newly acquired property continues to be presumed jointly owned unless otherwise specified in a marriage contract. The Supreme Court applies the principle of disposition, meaning property is divided only upon a spouse's explicit request. Courts rely on factual

determinations - such as the source of funds and timing of acquisition to classify assets.

The property acquired during marriage is presumed joint, irrespective of registration in the public registry. Registry entries primarily protect third parties; between spouses, unregistered co-ownership rights remain enforceable. This presumption does not extend to unregistered cohabitation. The courts emphasize that factual circumstances, not merely registry entries, determine whether property is individual. Property purchased with joint funds, even if registered under one spouse's name, is matrimonial property. Movable property and income (salaries, earnings) also fall within joint ownership. Contracts allow spouses to modify statutory rules. In their absence, the presumption of equal rights applies, and courts strictly adhere to equality, deviating only in cases expressly permitted by law.

The results show that while the statutory presumption of joint ownership seeks to ensure fairness, Georgian courts face ongoing challenges in practice, particularly in cases involving registry entries, household property, and the transformation of individual property into joint property.

#### 4. Discussion

Article 1106 of the Civil Code of Georgia defines the concept of marriage. The main elements of the concept of marriage are: the voluntary union of a man and a woman, the purpose of creating a family and the fact of registration in the relevant body. By combining these three elements, the concept of marriage is created, which means that without the fact of registration, the union of a man and a woman, even for the purpose of creating a family, cannot produce the legal consequences that the Civil Code of Georgia defines in the case of marriage. [2]

The fact of marriage registration separates the actual relationship from the one registered for the purposes of this Code. This helps to separate and classify claims at the first stage in case of litigation. Also, it provides a distinction between the starting point of the coownership regime of spouses.<sup>[3]</sup> From the adoption of the Civil Code to the present, the legislative amendments made in Article 1106 were addressed only to the registration body. Although the third sign of Article 1106 of the Civil Code (the fact of registration)

is not specified in the text of the Constitution,<sup>[4]</sup> However, without it, despite the presence of the first two signs, the marriage will not be considered real.<sup>[5]</sup> The fact of marriage registration may be accompanied by a marriage contract, the provisions of which indicate different legal consequences, although the marriage contract, which was concluded before the marriage registration, enters into force only after the marriage registration.

Legal consequences, including the establishment of co-ownership of property acquired during marriage, arise only upon registration. This formal requirement ensures legal certainty and prevents disputes about the legal status of relationships. Without official registration, cohabiting partners - even if they function as a family - cannot invoke the statutory presumption of co-ownership. This approach reflects a formalist legal tradition, emphasizing the need for clear, documentary evidence of marital status to avoid ambiguity in property relations. Marriage registration also defines the starting point of the co-ownership regime, which is crucial in determining which assets fall within the marital estate. The Civil Code of Georgia establishes a clear framework for the regulation of marital relations, particularly in matters concerning property rights and obligations between spouses. Article 1151 stipulates that only marriages registered in accordance with Georgian law give rise to legal marital rights and duties, highlighting the significance of formal registration as the basis for spousal rights.

The title of Article 48 of the Law of Georgia "On Civil Acts" is the origin of marriage. Marriage registration by the Civil Acts Registration Authority is required for marriage to take place, where persons wishing to get married must submit an application in accordance with the conditions of the law.<sup>[6]</sup>

The concept of matrimonial property is defined in Article 1158, which presumes that any property acquired during the marriage belongs jointly to the spouses, unless otherwise specified by a marriage contract. Importantly, this right arises irrespective of whether one spouse earned an income, as contributions such as managing the household or caring for children are equally recognized.

The administration of matrimonial property is addressed in Articles 1159 and 1160, which provide that both spouses enjoy equal rights over the property and must manage it through mutual agreement. Transactions made by one spouse cannot be invalidated solely due to lack of consent or knowledge by the other spouse, although each spouse may claim benefits obtained from the property's management.

The distinction between separate property and joint property is outlined in Articles 1161 and 1162. Property owned prior to marriage, as well as that received through inheritance or as a gift, remains the personal property of the spouse. Likewise, articles for personal use - excluding valuables - are considered separate property even when purchased with joint funds. Article 1163 introduces the principle of transformation, whereby separate property may become matrimonial property if its value has significantly increased due to marital efforts or expenses, such as reconstruction or redesign, unless a marriage contract provides otherwise. Article 1164 grants either spouse the right to request the division of matrimonial property both during the marriage and after its termination. This ensures flexibility in property relations and the protection of each spouse's rights in cases of marital dispute or dissolution.

The Civil Code of Georgia recognizes the institution of a marriage contract as a legal mechanism through which spouses may define their property rights and obligations both during the marriage and in the event of its termination (Article 1172). A marriage contract may be concluded either before or after marriage registration, with pre-marriage contracts taking effect upon registration (Article 1173). Such contracts must be in writing and notarized to be valid (Article 1174). Special provisions apply to individuals with restricted legal capacity. A person with limited capacity can enter into a marriage contract only with the consent of their legal representative (Article 1175). Additional safeguards are provided when one party is a beneficiary of support, requiring the involvement of guardianship and custodianship authorities to ensure the beneficiary's rights are not restricted beyond what is established by court decisions. In such cases, a temporary supporter may be appointed for the beneficiary during contract negotiations (Article 1172(2-5)).

The content of marriage contracts is flexible, allowing spouses to regulate rights over both existing and future property, alter the default rules on matrimonial property, and determine whether assets acquired during marriage are jointly or separately owned (Article 1176). The contract can also define rules for sharing income, bearing family expenses, and dividing property upon termination of the marriage (Article 1177). Moreover, the terms of the contract can be limited in time or made conditional on certain events (Article 1178). However, the law imposes limits on contractual freedom. Marriage contracts cannot alter reciprocal spousal maintenance obligations, parental rights and duties, child support obligations, or the right to seek judicial resolution of disputes. Additionally, no contract terms may place a spouse in an unduly harsh or oppressive position (Article 1179). A marriage contract can be amended or terminated by mutual consent at any time, but unilateral repudiation is prohibited. Divorce automatically terminates the contract (Article 1180). Furthermore, the courts have the authority to revise the terms of a marriage contract if they are found to place one spouse in an extremely unfavorable position, provided there are valid reasons to justify the modification (Article 1181).

The Constitutional Court of Georgia in the case "Tsiala Pertia v. Parliament of Georgia" made important clarifications about the fact of marriage registration.<sup>[7]</sup> This decision of 2023 somehow summarizes the legal issues of marriage registration and the origin of rights and obligations. According to the constitutional claim, after the death of the plaintiff's husband - whom she had lived with in an unregistered marriage since 1985 - the husband's estate (an apartment in the city of Batumi) was transferred to his legal heirs, namely the deceased's sister and brother. These heirs subsequently transferred the inherited property to a close relative, the testator's second niece. By a decision of the Batumi City Court dated September 29, 2017, the plaintiff's claim seeking the invalidation of the inheritance certificate and the purchase agreement, as well as the recognition of the deceased as the heir and owner of the property was dismissed. The court also ordered the plaintiff to vacate the estate. Therefore, the plaintiff appealed to the Constitutional Court of Georgia. According to the plaintiff's position, the issue of family cohabitation is closely connected to the right of inheritance. In light of the development of international human rights law, the scope of the right to family life is now interpreted more broadly and encompasses not only relationships based on a registered marriage but also de facto cohabitation between individuals, provided such cohabitation can be confirmed. Therefore, the emergence of spousal rights and obligations, including the enjoyment of inheritance rights under the law, should not depend solely on the legal registration of the relationship but also on the actual existence of close personal ties. Consequently, the disputed norm unjustifiably restricts the inheritance rights of individuals who were in an unregistered marriage.

The court pointed that marriage registration is a sign that is identical and universally applicable to groups identifiable by different personal signs. This sign is not used to determine a person's belonging to any particular group, but independently ensures the perception of the origin of the rights and duties of spouses for the purposes of the Civil Code. In the case considered by the court, the comparable groups are spouses in registered and unregistered marriages. According to the judgment of the court, the fact of marriage registration is differentiating between them. By this, the court indicated that it does not reject the unregistered marriage of spouses as a voluntary union of persons in actual relationship, therefore the fact of registration of marriage in the mentioned case did not attribute to persons in unregistered marriage an essentially unequal group of persons. The Constitutional Court of Georgia noted that "in order to consider the constitutional claim justified, the plaintiff is obliged to present substantiated opinions regarding which aspect of the right to personal and family life is limited by the absence of coownership of the property acquired in an unregistered marriage, in what way such an arrangement prevents him from enjoying the named constitutional rights". [8] Similar argumentation was not presented in the constitutional claim.

The Court noted that while unregistered unions can exist as voluntary personal relationships, they do not create co-ownership rights under the law. Plaintiffs challenging this rule must demonstrate how the absence of co-ownership rights in unregistered unions violates their constitutional rights to personal or family life. Under Article 1151 of the Civil Code, spousal rights and obligations arise exclusively from a registered marriage, reinforcing the formalist approach. [9]

The National Statistics Office of Georgia has been officially compiling marriage and divorce data since 1994. In that year, 3 089 divorces were registered. The

number of divorces declined until 1999, after which it began to rise again, showing steady annual growth since 2007. As in many other countries, there was a sharp drop in divorces in 2020, when only 7 643 cases were registered, largely due to the pandemic and lockdown restrictions. However, beginning in 2021, the figures rose sharply: 10 654 divorces in 2021, and 14 098 in 2022 - a record high for Georgia. Statistical data also reveal certain patterns: most divorces occur within the first four years of marriage, and the majority of couples who separate fall within the 30-34 age group.

Marriage statistics show a less dramatic but noticeable trend. After a decline in 2020, when large gatherings and weddings were restricted, the number of marriages has been rising again. In 2020, 16 359 marriages were registered, compared to 26 048 in 2022. Despite this recovery, the numbers still lag significantly behind peak years such as 2010 and 2013, when around 35 000 marriages were registered annually. In the first half of 2023 alone, 10 366 marriages and 6 828 divorces were officially recorded, further reflecting ongoing demographic shifts in Georgian society. The number of registered divorces in Georgia in 2024 was 13 520. [10]

Now we should review cases from the practice of the Supreme Court of Georgia.

The purpose of dividing the common property during marriage may be related to the desire of the spouses to separate their share of the common property. In this case, after the division, the part of the property that has not been divided and the property that they will acquire in the future are considered joint property of the spouses (unless otherwise stipulated by the marriage contract). The purpose of this record is to facilitate the use of the right to divide property between spouses during marriage, to record the right of co-ownership, and more.<sup>[11]</sup>

It is important that the relationship existing during the marriage is interpreted in such a way that it has certain consequences for the parties. For example, according to the definition of the Constitutional Court of Georgia, the right to family life is an important legal part of personal life. A person's personal life "includes connection and relations with family members and his "close circle", then implies the relations established between spouses as a result of marriage or actual cohabitation, the right to develop connections with

family members and biological relatives."<sup>[12]</sup> Family life is a private relationship established by individuals with a separate circle and refers to the connections in the "close circle". These connections are strongly characterized by a strong emotional and biological connection. <sup>[13]</sup>

During the divorce of the spouses, the question of the division of common property arises. Common property, as already mentioned, can be divided both during the marriage and after its termination. Marriage is terminated by the death of one of the spouses, declaration of death of one of the spouses and divorce. In case of death, inheritance rules apply to obtain the right to the property (co-ownership) of the deceased person, and in case of divorce, the spouses establish their claim to specific property. A guide for the court is the claim, by which the spouses express the scope of their claim. [14] This scope is limited by the property acquired during the marriage and it is on this that the mutual comparison is made.

The Supreme Court of Georgia considers the case in accordance with the principle of disposition, competition, equality of the parties, the court cannot determine the co-ownership of a spouse on a specific property if there is no corresponding request.

The Chamber of Civil, Entrepreneurial and Bankruptcy Cases of the Supreme Court of Georgia focused on the issue of essentially correct interpretation of Article 1158 and justification of the decision. According to the court, the apartment received from the cooperative by one of the spouses during the marriage is co-owned by the spouses regardless of which spouse received it.<sup>[15]</sup>

According to the court, if the property is acquired during marriage, despite its registration in the public register, it is still co-owned and the co-owner spouse has the right to it.<sup>[16]</sup>

The court considers that, based on the interests of the acquirer, the ownership right to the real estate acquired during the marriage of the spouses arises only after both of them are registered in the public register, otherwise, the register entries for third parties are considered correct. This means that, unlike a bona fide purchaser, a bona fide spouse is legally entitled to protect his right from encroachment by registering in the public registry. A bona fide buyer does not have this right. [17]

The court points out that the property acquired during the actual cohabitation, which is registered in the name of one of the partners, cannot be considered as co-ownership, because the regime of co-ownership arises from the moment of marriage registration through the property acquired during the marriage.<sup>[18]</sup>

The court focuses on the special importance of establishing the actual circumstances of the acquisition of property during the marriage. Without evaluating this issue, it is impossible to consider the property as individual property of the spouse only by the registry entry.<sup>[19]</sup>

The subject of the court discussion was the purchase agreement concluded between the spouses, the subject of which was the property acquired during the marriage. Signing such a contract can be equated with a transaction concluded with oneself in one's own name. [20] The court considered the mentioned contract invalid based on Article 54 of the Civil Code.

According to the court, the property acquired during marriage can be considered not only the property registered in the register, but also the property that only one spouse enjoys, if this property, in the case in question, the workshop space was purchased with common funds. According to the court, it is appropriate to consider the whole space as an individual item of personal use.<sup>[21]</sup>

Divorce does not deprive the spouse of the right to claim a share from co-ownership. [22]

The criterion of co-ownership of spouses provided for in Article 1158 of the Civil Code is the acquisition of property during marriage, regardless of whose funds it was purchased, except for inheritance or gifting. [23] Spouses have equal rights to co-owned property. Legislation does not limit the principle of equality, even if co-ownership is created only with the funds and income of one of the spouses.

The property relations of the spouses have a relative character and arise between the spouses. In case of violation of the co-ownership rule, the party with the violated right can demand the protection of his right and the fulfillment of the obligation stipulated by the law from the spouse in a civil manner.<sup>[24]</sup>

Property acquired during marriage is considered immovable and movable property, which was acquired with the joint labor and funds of both spouses. This should not be understood as if spouses have an equal duty to provide funds. In general, the salary or other cash income belongs to the property, regardless of whose name it is registered. The main function of the registry in relation to things subject to registration is to guarantee civil circulation.<sup>[25]</sup>

The third part of Article 1168 of the Civil Code provides for the case when the property is acquired without the participation of one of the spouses, and regardless of whether they are married or not, prejudicial significance is not given to the right, but to the fact of the actual termination of marriage. This is the prerogative of the court.<sup>[26]</sup>

Joint property of spouses in a household produces different legal consequences. If there are other family members registered in the household besides the spouses, this property is the joint property of the household members and not the joint property of the spouses. [27] The legal difficulties and uncertainty related to the household made the separation of the joint property of the spouses in the co-ownership regime between the members of the household unclear. Often the joint ownership of the spouses was expressed by combining the equal shares of the spouses in the household and demanding the separation from the common property of the household, regardless of whether the property was acquired during the marriage or not. The rule of allocation of property ownership and share.

The property of the spouse arising from the marriage is a joint right. Persons who are aware of this right are obliged to take into account the preferential right of spouses, regardless of whether this right is registered in the register or not.<sup>[28]</sup>

It was noted in the case that one of the spouses alienated the jointly owned property of the spouses. The Court of Cassation points out that a certain rule of calculation should be developed for compensation of damages caused without the consent of the second spouse.<sup>[29]</sup>

According to the court, the presumption of being the owner of the property of the spouses is due to the special norms of the law defining the rights and duties of the spouses and the special status of the protected object. Its purpose is to protect not only the spouses, but also third parties, so that they do not find themselves in a position that is harmful to them.<sup>[30]</sup>

From a procedural point of view, the circle of

circumstances included in the subject of the assertion based on Article 1158 is defined as follows: the spouses must be in a registered marriage, there must be common property, the spouses must express an interest in their share of the property.<sup>[31]</sup>

The Supreme Court explains that co-ownership of immovable property between spouses arises from the purchase of property that they acquired jointly during the marriage. The legislator assumes that this property is created with the joint funds of the spouses by running the family farm and working together. This assumption is regulated at the legislative level, and the opposite assertion is the subject of the parties' assertion. [32]

Within the framework of presuming joint ownership of the disputed property, it is important to distribute the burden of proof on each party, including the establishment of the main principles of the relationship of spouses in order that they are not used by the parties to substantiate their claims, but by the court to evaluate these claims.<sup>[33]</sup>

In case of dispute, the fact of acquiring certain property during the marriage is sufficient to consider the property as co-ownership of the spouses. The burden of proof to the contrary is on the person who disagrees with the above. The regime of co-ownership of spouses serves the purpose of protecting the interests of the family and it is derived from the concept of family. To outline the legal consequences of family maintenance and common goals through the mechanism of marriage registration. [34]

In judicial practice, the issue of turning individual property into co-ownership occupies an important place. In this case, the factual circumstances are of particular importance, otherwise the court is deprived of the opportunity to independently determine the form, extent and scope of such conversion.<sup>[35]</sup>

The co-ownership regime of spouses cannot be changed by the creditor's demand, because this demand is part of the obligation of the co-owners and it does not have a prohibitive function for one of the spouses to obtain the right to co-ownership. [36]

A marriage contract largely changes the legal outcome that would have occurred in its absence. The nature of the marriage contract is determined by its direct reference in the Code. Instructions on the validity of marital contact are given in the following cases: the marriage contract changes the general rule of

determining joint ownership of spouses; The marriage contract changes the rules for transforming the spouse's property into co-ownership of the spouses; The marriage contract changes the rules for dividing the common property of the spouses during the marriage; With the marriage contract, the spouses have the right to determine the terms of income sharing, the manner in which each of them will pay family expenses, and the property that will be transferred to each spouse at the end of the marriage.

The legal burden of the marriage contract is determined by the parties' interest in it. If there is no marriage contract, then conditions different from the general rule cannot be established between the spouses, even if one of the parties indicates this in the event of a dispute, [37] For example, the court will deviate from the principle of equality of shares only in cases expressly provided for by law.

The Civil Code outlines the criteria for the general division of the property acquired by the spouses during the marriage, which has already been mentioned in the paper, thus the court can determine the legal status of the property owned by the spouses and assign it to the appropriate group. Article 1158 of the Civil Code allows the spouses to take into account the change of the legal regime of the property in the marriage contract. At this time, the will of the spouses takes precedence and the marriage contract is the basis by which the property acquired during the marriage will be recognized as shared property or vice versa. If the relationship is not regulated by the marriage contract, the property acquired during the life of the spouses together, which was purchased with joint labor and funds, as well as the property purchased by one of the spouses in that case, will be considered joint property. i.e. The marriage contract also changes the basis of Article 1158 of the Civil Code.

The mentioned reasoning applies in criminal cases. In one of the decisions of the Criminal Affairs Chamber of the Supreme Court of Georgia in 2020, attention is focused on the violation of the rules provided for in Articles 1159 and 1160 of the Civil Code of Georgia. The court of cassation pointed out that in this case there was clearly a violation of the civil norms regulating co-ownership of spouses, although this should not be considered a criminal offense, as it was the subject of a private legal relationship between the parties. In the

mentioned case, the property was acquired legally, but it was illegally disposed of by one of the spouses. We would have a different case if the property was acquired illegally. In the opinion of the court, I am involved in the civil turnover of the co-owned item, and the legal consequences arising from it may be the subject of a civil dispute. This violation is not considered an object of criminal protection.

More specifically, the citizen disposed of the coowned item donated by his spouse. The court ruled that this item was purchased for family use, so this item could not be an individual property. On the one hand, the court focused on the civil legislation on the disposal of property jointly owned by spouses, on the other hand, it pointed out that the disposal of property in this form cannot be considered arbitrary. The court does not appreciate the violation of the rule of disposal of the property acquired during the marriage, regardless of how it affects the spouses,<sup>[38]</sup> But if the property is registered in the name of the spouses in an illegal way, it will definitely become a subject of criminal assessment.<sup>[39]</sup>

With a restraining order issued by the court, it is possible that the abuser is prohibited from using the co-ownership alone. This prohibition is due to the fact that during the issuance of a restraining order, it becomes physically impossible to run a joint economic activity and dispose of common property with the joint participation of both spouses. During the issuance of the restraining order, the person is prohibited from approaching the spouse closer than the specified proximity. Therefore, it is unnecessary to talk about the fact that they can dispose of the common property jointly. The restraining order issued by the court is temporary, therefore, after the expiration of the term established by the order, the possibility of sole disposal of the co-ownership arises again for the spouse.

The court did not share the opinion of the lawyer defending the interests of the convict, that the car, which the prosecution argued against the defense, was the joint property of the spouses, which was purchased during the period of cohabitation of the spouses, which is why the convict did not damage his wife's property, but his own property. [40] According to the court, due to the fact that the said car was owned by the victim's spouse, it could not be considered only the property of the convicted person.

From an economic standpoint, the division of spousal property plays a decisive role in ensuring fairness and stability both during marriage and after its dissolution. Property relations are not merely a legal issue but a mechanism for distributing economic resources within a family, protecting vulnerable members, and incentivizing productive and cooperative behavior between spouses. The Georgian model of presumed joint ownership reflects an economic rationale: regardless of which spouse earned the income or formally acquired the asset, both spouses contributed - directly or indirectly - to the accumulation of family wealth. This principle recognizes the economic value of unpaid domestic labor, childcare, and household management, which are traditionally performed by one spouse and often undervalued in purely financial terms. Disputes frequently arise in situations where property classified as "individual" has been improved or maintained with joint funds. From an economic perspective, this raises the issue of investment and return: if joint resources increase the value of individual property, fairness requires that both spouses share in the economic benefits of that investment. Failure to recognize this may create economic injustice and discourage cooperative financial behavior within marriage. Furthermore, the absence of uniform judicial guidelines introduces economic uncertainty. Spouses cannot predict with confidence how assets will be divided in case of divorce or inheritance, which undermines their ability to make rational longterm financial decisions. For example, one spouse may hesitate to invest in the other's property if there is no clear rule on whether that investment will be compensated. In Georgia, introducing clearer economic rules - such as compensatory claims for improvements made to individual property or more structured participation rights - would not only reduce litigation but also strengthen trust and cooperation between spouses. Ultimately, property division should be seen not only as a legal mechanism but also as an economic tool for promoting family welfare, gender equality, and social stability.

#### 5. Conclusion

The division of spousal property remains one of the most critical issues in Georgian marital law, shaping both economic security and fairness within family relations. The Civil Code of Georgia distinguishes between joint marital property, individual property, and individual property that has been transformed into joint property. Yet, judicial practice continues to reveal significant challenges in applying these distinctions consistently, particularly when property has been improved or maintained through joint efforts, or when household property is involved. The research demonstrates that the lack of uniform judicial guidelines has led to divergent interpretations of Article 1158 and related provisions, creating uncertainty for both spouses and practitioners. In order to enhance legal clarity and prevent unnecessary disputes, it is necessary to: Establish clear judicial guidelines for interpreting Article 1158 of the Civil Code; Develop consistent rules for household property; Consider introducing elements of the participation regime, as in some European jurisdictions, to ensure a more balanced distribution of economic benefits between spouses. Ultimately, spousal property division is not only a technical matter of classification but a cornerstone of marital justice. Clarifying the statutory framework, harmonizing judicial practice, and incorporating comparative legal insights would strengthen both predictability and fairness in the Georgian system.

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