

LEGISLATION REVIEW

in Ukraine

Agriculture, Food and Renewable Energy Sector

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Agricultural land

Establishing the State Land Bank

The Law of Ukraine # 5245-VI "On Amendments to some legislation acts of Ukraine on delimitation of the state and communal land» as of 06.09.2012.

The Law in particular defines the order for change of usage of especially valuable land, widens the circle of subjects on common ownership of land plots that are in the state and communal property. The law also regulates the order for transferring the land from state to communal property, and back from communal to the state one. The law also foresees establishing the State Land Bank. The Cabinet of Ministries of Ukraine will transfer the state farmland to the statutory fund of the State Land Bank. The State Land Bank is the state one and cannot be privatized.

The State Land Bank: statutory capital and its responsibility

The Law of Ukraine # 5248-VI "On amendments to the Law of Ukraine "On banks and banking" regarding the State Land Bank" as of 18.09.2012

The law foresees that the activities of the State Land Bank are regulated by the banking legislation that does not contradict to the land legislation. The Statutory capital of the State Land Bank should be formed by the government from monetary contributions as well as from contributions in the form of land plots. The law also defines the right of the State Land Bank to manage the land plots and titles on land plots. The State Land Bank functions under the banking license from the National Bank of Ukraine.

Initiative to extend the moratorium

The Draft Law # 11106 "On Amendments to the articles 14 and 15 of the chapter X "Transition provisions" of the Land Codex of Ukraine regarding the terms for selling the land plots" as of 27.08.2012; the project has been rejected on 02.10.2012.

The draft law foresaw the extension of the moratorium on farmland sales until the 1st of January 2014.

Changes to works on land surveying and land valuation

The Draft Law #1131 "On amendments to some legislation acts (on deregulation of economic activities on the land surveying and land valuation works)" as of 31.08.2012, adopted as the basis on 06.09.2012.

The Draft Law suggests canceling the licenses on works on land surveying and land valuation, but introducing certification of such works. The document defines personal responsibility for conducted works on land surveying and land valuation.

Suggestion to cancel the fee on the documents confirming the land titles

The Draft Law #11200 "On amendments to some legislation acts of Ukraine (on cancellation of fee for producing the documents on land plots for population)" as of 11.09.2012.

The Draft Law suggests cancellation of fee for producing the documents that confirm the land titles on land plots.

State support

Agricultural warehouse receipts

The Draft Law #9610 "On warehouse receipts" as of 19.12.2011, adopted as a basis on 06.09.2012.

The Draft Law foresees a possibility of economic agents to use warehouse receipts in their economic activities that would function as a title. Warehouse receipts confirm obligations of the debtor on future payments being secured with future harvest or with agricultural animals. The draft law, however, limits the scope of application of such receipts only to products of groups 1-14 of the Law of Ukraine "On customs".

New order for the conduct of the state grain forward purchases

The Decree of the Cabinet of Ministers of Ukraine # 879 "On amendments to the Order for the conduct of the state grain forward purchases" as of 24.09.2012

The amendments change the order of conduct of the state forward purchases that in particular define the mechanism of conduct the state grain purchases by Agrarian Fund with a purpose of forming the state intervention fund. Forward purchases foresee the purchase of grain from farmers under condition of down payment in the amount of 50% of the value of grain. The value of grain should be calculated on the basis of minimum intervention price by the date of deal. Forward contract is to be settled at the Agrarian Exchange between the Agrarian Fund and a farmer. The order defines the list of documents that a farmer should submit to the Agrarian Fund, as well as it defines the mechanism of conduct of such forward purchases.

Agricultural cooperation development

The Draft Law #11160 "On the development of agricultural cooperation in Ukraine" as of 03.09.2012

The draft law suggests amending legislation and specifies the order for establishing production and service agricultural cooperatives of different types. The draft law also suggests specifying the state support to new agricultural cooperatives.

Initiative to define the foundation for establishing and functioning of agricultural cooperatives

The Draft Law # 11221 "On amendments to the Law of Ukraine "On agricultural cooperation" as of 17.09.2012

The draft law aims at defining the legal, organizational and economic foundation for formation and activities of agricultural cooperatives in Ukraine. In particular, the draft law reconciles different relevant to agricultural cooperation laws with respect to the non-for-profit status of service agricultural cooperatives.

Food safety and quality

Dairy and milk-containing products

The Draft Law #11177 "On amendments to the law of Ukraine "On milk and dairy products and other legislation acts on enforcing the measures to combat the faked dairy products" as of 05.09.2012

The draft law establishes differentiation between dairy products and the products that contain the substitutes for milk components. The differentiation is introduced via introducing the term "milk-containing products" and obliging producers to label the products accordingly. Besides, the draft law specifies the legal background for applying the mechanism of state regulation of the raw milk farm-gate prices.

Taxes and Customs

Tax incentives for the development of agricultural cooperation

The Draft Law #10068 "On amendments to the Tax Code of Ukraine (on stimulation of agricultural cooperation development) as of 16.02.2012, adopted for the basis on 06.09.2012

The draft law foresees amendments to the Tax Code of Ukraine whereby cooperative payments to the members of agricultural cooperatives are included to the costs of such a cooperative.

Tax amendments in favor of the development of dairy sector and of agricultural cooperatives

The Draft Law #11136 "On amendments to the Tax Code of Ukraine On establishing the proper conditions for the development of dairy sector and of agricultural cooperation" as of 03.09.2012

The draft law suggests amending the Tax Code of Ukraine and to specify that for tax purposes agricultural service cooperative is equal to agricultural enterprise that markets the products being purchased from physical persons - members of the cooperative. It also

foresees that the purchase of the products from physical persons – members of the cooperative that produced these products themselves, is VAT free. It is suggested to make an import of live livestock VAT – free for the purpose of creating proper conditions for increasing the herd size of livestock (HS 0102 90 90 00).

Miscellaneous

Single demographic register

The Draft Law #10492 "On a Single state demographic register" as of 18.05.2012, adopted for the basis on 06.09.2012

The draft law establishes legal and organization foundation for creation and functioning of the Single state demographic register and for the issuance of the documents that testify the person, confirm its citizenship or special status. The Single state demographic register includes personal data on the person:

surname and name, birthday, date of the death, sample of signature, picture of the person and other data. The documents of the single register are produced in the form of the book or card.

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