



LEGISLATION REVIEW

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Food Safety and Consumers' Protection

Streamlining the list of permissive documents for conducting economic activities

The Law of Ukraine # 3392-VI "On the List of Permissive Documents in the Field of Economic Activities" was adopted by the Parliament of Ukraine on the 19th May, 2011 and came into force on the 1st January, 2012.

The Law essentially matches different types of permissive documents with their corresponding legislation acts that regulate the issuance of these documents. The Law prohibits demanding permissive documents that are neither required nor included in the List attached to the Law. In particular the Law covers such permissive documents as quality and veterinary certificates, sanitary and phytosanitary certificates etc.

State Support to Agriculture

Conditions of the state credit concession program improve

The Law of Ukraine # 4216-VI "On Amendments to the Article 13 of the Law of Ukraine 'On State Support of Agriculture of Ukraine' was adopted by the Parliament of Ukraine on the 22nd December, 2011 and came into force on the 13th January, 2012.

The Law extends the definition of the eligible for compensation long-term credits from 36-60 months to 36-84 months. Also now the Law allows agricultural enterprises to get a concession on short-term credits to cover their production costs in the current as well as in the next year. But the credit period should not exceed 12 calendar months.

Agricultural Land

Tightening control in land plot pledge and mortgage agreements

Law of Ukraine No. 4188-VI "On Amendments to Certain Legislative Acts of Ukraine as to Increase of Control over Conclusion of Land Plot Pledge and Mortgage Agreements" was

adopted by the Parliament on December 20, 2011 and came into force on the 13th January, 2012.

The Law stipulates that a land plot or rights thereto can be pledged only in case this land plot has a cadastre number.

In the previous amendments, a cadastre number of a land plot was an obligatory condition for agreements on transfer of ownership rights to a residential house, building or construction located on such a land plot, lease agreements. Although this tightening of control might prevent abuse on the land market, in short term, though, it might cause additional expenses for owners and users of land plots without a cadastre number.

Tax and Customs

Personal income tax privileges

Law of Ukraine # 3609-VI „On Amendments to the Tax Code of Ukraine and other legislative acts of Ukraine concerning improving certain norms of the Tax Code of Ukraine" was adopted by the Parliament on the 07th July, 2011 and some of the norms came into force on the 1st of January, 2012.

The Law postulates that the sales of the inherited immovable property (a resident house, an apartment or a part thereof, a room, a garden house, including a land plot under such objects) are tax-free.

Tax on luxury vehicles and incomes

The Draft Law # 9754 "On Amendments to the Tax Code of Ukraine (regarding introduction of the new personal income tax rates as well as taxing some vehicles, which might be considered as luxury), as of January 27th, 2012

The draft suggest decreasing personal income tax rate from 15% to 12% to citizens with income level up to ten minimal salaries and increase, and increasing from 17% to 20% for people with incomes exceeding ten minimal salaries.

Also the draft suggests introducing taxes on vehicles that might be considered as luxury

items. They are light vehicles over 3,510 cubic cm and motorcycles over 800 cubic cm (at 10% of minimal salary per 100 cubic cm); ships equipped with stationary or out-board engines with the capacity over 55 kilowatt (at 10% from the minimal salary per 1 kilowatt of engines capacity); planes and helicopters (at of 0.5% of minimal salary per each kilogram of maximal take-off weight).

Other

Streamlining the legal framework for the State Inspection for Agriculture of Ukraine

The Draft of the Law of Ukraine # 9558 "On Amendments to Some Legislative Acts of Ukraine regarding State Control over Usage and Protection of Land (on Administrative Reform Measures)" as of December 08th, 2011, was adopted in the first reading on January 13, 2012.

As a result of the administrative reform, the state control on usage and protection of land is transferred from the State Inspection for

Control on Usage Protection of Land to the State Inspection for Agriculture of Ukraine. The current draft law aims at amending corresponding legislation framework to reflect these changes.

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