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LEGISLATION REVIEW

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Food Safety and Consumers' Protection

The Status of the State Inspection for Consumers' Rights Protection is confirmed

The Order of the Cabinet of Ministers of Ukraine # 80-r "Issues of the State Inspection for Consumers' Rights Protection" as of 15th of February, 2012

In this Order, the Cabinet of Ministers of Ukraine acknowledges the transfer of policy making in the sphere of consumers' rights protection from the former State Technical Regulation Service (that ceased to exist) to the State Inspection for Consumers' Rights Protection.

"Gluten-free" labeling

The Draft Law #8493 'On Amendments to the Article 38 of the Law of Ukraine "On Safety and Quality of Food Products" (on informing citizens about the absence of gluten in food products), as of 12 May 2011, was adopted in the first reading on February 07th, 2012

The draft law demands obligatory labeling of gluten free foodstuff with a 'gluten-free' label, even if a particular foodstuff is not produced from cereals.

State Support to Agriculture

The 2012 State Budget program 'Financial support to agricultural complex' is decoded

The Resolution of the Cabinet of Ministers of Ukraine # 104 "On Approval of the Order for Disbursement of Funds that are foreseen in the State Budget for Financial Support of Measures in Agriculture" as of 13th February, 2012.

The 2012 State Budget of Ukraine contains a certain novelty in the sense that it aggregated a pool of state support programs to agriculture under the 'umbrella' name 'Financial support to agricultural complex', and certainly it required further decoding. In previous years the State Budget contained numerous individual state

support programs with a certain target. The current Resolution 'decodes' this aggregated budget line into several ones, i.e. extension services support, selection in crop production, livestock development, credit and lease concession program, whole sales market development, land fertility, service cooperatives development, selection in livestock and poultry sectors, among others.

Agricultural Land

Accelerating and simplifying procedures for land right acquisition

The Draft Law of Ukraine # 10019 'On Amendments to some legislative acts of Ukraine on simplifying the procedures and reducing the terms for land right acquisition' as of February 09th, 2012

The draft suggests simplifying the procedures for land right acquisition and reducing the time for accomplishing some of the procedures (including the time needed to get a state certificate for land ownership) by 3-5 times.

State versus communal land: simplified delimitation

The Draft Law of Ukraine # 10043 'On Amendments to some legislative acts of Ukraine on delimitation between the state and communal land' as of February 13th, 2012

According to the Law of Ukraine 'On Delimitation between the Land in State and Communal Ownership' (adopted in 2004), a particular land can be attributed to either communal or state ownership only based on the technical project. As producing a project has been a relatively costly enterprise, the process of delimitation has been very slow. The current draft law suggests a 'blanket-rule' strategy without project documentation. In particular it is suggested attributing the land to communal ownership if it is located within the administrative boundaries of villages, towns and cities except the land plots are used by state government institutions.

Agricultural land rent payments are to increase

The Draft Law of Ukraine # 10046 'On Amendments to the Law of Ukraine 'On Land Leasing' as of February 14th, 2012

The draft law suggests increasing agricultural land lease payments to at least 7% of the land value.

Tax and Customs

New local agricultural land duty

Law of Ukraine # 3609-VI „On Amendments to the Tax Code of Ukraine (on the duty for using agricultural land plots)” as of 15th of February, 2012.

The draft law suggests introducing a new local duty for using agricultural land. The duty is to be set at 1% of the normative value of agricultural land and is to be paid either by owner or by tenant of agricultural land. The declared purpose of this is to finance the development of rural areas.

Renewable Energy

Green tariff for biogas electricity – second attempt

The Draft of the Law of Ukraine # 10119 "On electrical energy" (on promotion of electric energy production from renewable sources) as of February 24th, 2012.

After the previous failure to introduce a green tariff for power from biogas (draft law # 8028 was vetoed by the President), the new draft law has been registered, thus making a second attempt.

The Draft Law suggests the following coefficients for the "green" tariff:

- 2.3 – for power from biomass and biogas;
- 3.0 – for power processing household waste.

A significant space in the draft law is allocated to the "green" tariff for hydropower. At the moment the green tariff is applied only for hydropower plants exceeding 10MW. The draft suggests applying green tariff also for mini (up to 1 MW, coefficient – 2), small (1 to 10 MW, coefficient – 1.6) and medium (10 to 20 MW, coefficient – 1.2) hydropower plants.

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