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## COMPANY NEWS

*Legal Issues of Public Health Institutions' Activities in the Economic Crisis Environment*, a practical seminar organized by the International Center of Financial and Economic Development – Ukraine and Law Group Liniya Prava, will take place in Kiev on March 20, 2009.

Its moderator and keynote speaker will be Ms. Radmila Grevtsova, Managing Partner of the Liniya Prava Kiev Office, a practicing attorney, LL.M., President of the Ukrainian Medical Law Association, a member of the Editorial Board of the *Public Health Institution Management Magazine*

### AGROINDUSTRIAL SECTOR REGULATION

#### **The Cabinet of Ukraine Resolution #153 of 26.02.2009 "On approving the Order of using the 2009-2013 budgetary funds appropriated to support the agroindustrial complex enterprises through the mechanism of lower credit costs"**

The Order of using the 2009-2013 budgetary funds appropriated for support of the agroindustrial complex enterprises through the mechanism of lower credit costs has become effective (hereinafter "the Order").

The said funds will be used to partially compensate the interest rate under the credits acquired by the agroindustrial complex enterprises.

The Order establishes the list of credits eligible for such compensation. The designated purpose of the credited funds will be the selection criterion.

As compared to the similar document regulating the order of compensation in 2008 (the Cabinet of Ukraine Resolution #126 of 27.02.2008 "On approving the Order of using the 2008 budgetary funds appropriated to financially support the agroindustrial complex enterprises through the mechanism of lower credit costs"), the new Order contains the following novelties:

- the norms pertaining to compensation of credit rates to agricultural enterprises have been extended to include the enterprises providing agricultural machinery supported services in plant growing;
- the rules concerning compensation of credit rates, which have been applied only to the fishing enterprises carrying out their activities in internal waters and the exclusive marine economic area of Ukraine earlier, are now extended to include those companies fishing in the World ocean using the vessels registered in the State Register of Ships of Ukraine or in the Ship Book of Ukraine, and coastal fish processing enterprises as well;
- compensation is also granted in respect of the credit facilities issued to economic companies for the term of one to three years for reconstruction of the wholesale markets of agricultural products intended for bulk purchase of such products from agricultural commodity producers and their wholesale realization;
- corporate financial statements for the last financial year has been excluded from the list of documents submitted to receive such compensation;
- it is established that the amount of compensation will be affirmed by the Cabinet of Ukraine annually (earlier, such amount was stated in the Order itself).

**Effective: 10.03.2009.**

### FOREIGN TRADE ACTIVITIES

#### **The State Customs Service of Ukraine Order #213 of 10.03.2009 "On approving the Temporary Regulation of the procedure for collecting the temporary extra charge to the current import duty rates by the customs authorities"**

This Order of the State Customs Service of Ukraine approves the Temporary Regulation of the procedure for collecting the temporary extra charge to the current import duty rates by the customs authorities.

This document has been adopted pursuant to the Law of Ukraine #923-VI of 04.02.2009 "On amending some laws of Ukraine to improve the external payments position of Ukraine in connection with the world financial crisis" according to which 13% temporary extra charge to the customs value of the goods imported to territory of Ukraine has been established (effective since 07.03.2009).

The Temporary Regulation provides for a formula to calculate the amount of such temporary extra charge.

Besides, the document contains some explanations concerning the order of collecting the said extra charge:

- payment of the temporary extra charge amount, returning of the overpaid amounts, collection of the underpaid temporary extra charge amounts shall be carried out according to the Procedure for collection by the customs authorities of import (export) and special duties at customs registration of the goods, as approved with the State Customs Service of Ukraine Order #30 of 23.01.2006;
- the temporary extra charge shall be included in the VAT tax base.

**Effective: 07.03.2009** (since the day of coming into force of the Law of Ukraine #923-VI of 04.02.2009 "On amending some laws of Ukraine to improve the external payments position of Ukraine in connection with the world financial crisis").

### LABOR RELATIONS

#### **The Law of Ukraine #1027-VI of 19.02.2009 "On amending the Code of Administrative Violations of Ukraine and the Criminal Code of Ukraine to increase responsibility for delayed payment of wages, grants, pensions or other statutory payments"**

The law increasing administrative and criminal liability for delayed payment of wages, grants, pensions or other statutory payments has become effective:

- an administrative fine imposed on executive officers of enterprises, establishments, organizations for violation of terms of paying out wages, grants, pensions, or their incomplete payment has been established as 30 to 100 tax-free income minima of citizens (hereinafter "TFIM"). Earlier, the amount of such fine was 15 to 50 TFIM;
- a fine for failure to comply with lawful requests by officers of a labor legislation observance supervision body has been established as 50 to 100 TFIM. Earlier, the amount of such fine was 10 to 14 TFIM;
- a fine imposed as a criminal liability for nonpayment of wages, grants, pensions constitutes now 500 to 1000 TFIM (100 to 300 TFIM earlier) and in case such nonpayment was the result of illegal misuse of funds intended for the said payments, from 1000 to 1500 TFIM (500 to 1000 TFIM earlier).

**Effective: 11.03.2009.**

### GOVERNMENT PROPERTY

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**The Law of Ukraine #993-VI of 17.02.2009 "On amending Article 7 of the Law of Ukraine "On pipeline transport" concerning removal of the ban to privatize available housing of the government facilities of the main pipeline transport"**

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Amendments to the Law of Ukraine "On pipeline transport" removing the ban to privatize available housing of the government facilities of the main pipeline transport have become effective.

Effective: 11.03.2009.

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**The Law of Ukraine #1022-VI of 19.02.2009 "On amending the Law of Ukraine "On renting the government and municipal property" in respect of the proprietor rights protection"**

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Amendments to the Law of Ukraine "On renting the government and municipal property" limiting the lessee's rights to renew the lease have become effective. From now on, the lessee has the right of priority, with other things being equal, to renew its lease of government or municipal property for a new term, except for the cases when such property is necessary for the lessor's own needs. The lessor must notify the lessee on its intention to use property in its own needs 3 months in advance.

Effective: 12.03.2009.

## CONCESSIONS

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**The Law of Ukraine #1023-VI of 19.02.2009 "On amending the Law of Ukraine "On concessions" in respect of applying the concessionary agreements to public utilities used for centralized water supply, heat supply and drainage"**

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