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Newsletter



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LIFE SCIENCES AND HEALTHCARE

- Life Sciences & Healthcare Newsletter August- 2014

FOOD AND DRINKS

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REAL ESTATE AND CONSTRUCTION

DRAFT LAW OF UKRAINE "ON AMENDMENTS TO SOME LEGISLATIVE ACTS OF UKRAINE TO IMPROVE PROCEDURES FOR THE SALE OF LEASE RIGHTS TO AGRICULTURAL LAND"

- On July 18, 2014 the Draft Law of Ukraine "On amendments to some legislative acts of Ukraine to improve procedures for the sale of lease rights to agricultural land" (hereinafter, the Draft) was published on the website of the Ukrainian State Agency for Land Resources.

The Draft is intended to amend the Land Code of Ukraine, the Civil Code of Ukraine, the Laws of Ukraine "On Land Lease," "On Farms," and "On Mortgage". In particular, it is proposed to make the moratorium on the alienation and changing the purpose of agricultural land permanent instead of extending it.

Furthermore, according to the Draft, regardless of the form of ownership and category of land its lease right may be alienated by the leaseholder without the lessor's (owner's) consent.

Also, the Draft establishes the minimum lease period of agricultural land, in particular:

- if agricultural land is transferred into lease for agricultural production or farming, the validity period of land lease agreements shall be determined with reference to the rotation period of the main crop succession and may not be less than 14 years;
- if perennial agricultural plants are placed on a land plot, the validity period shall be established taking into account the expected useful life period of the related perennial plant, but should not exceed 50 years, which is the maximum land lease period determined by the law.

In addition, the Draft proposes to establish the possibility to terminate a land lease agreement in the event of any delay in lease payment. Under this provision, if within a month upon expiry of the agreed lease payment term the leaseholder has failed to pay the lessor properly, the latter may apply the right of land lease termination.

VALUATION PROCEDURE HAS CHANGED

- On August 21, 2014 the Cabinet of Ministers of Ukraine adopted Resolution "On valuation for tax purposes and accrual and payment of other compulsory fees levied in accordance with the laws"¹ (hereinafter, the Resolution), under which the assessed value for tax purposes and the accrual and payment of other compulsory payments shall be the market value calculated in accordance with national standards and other legal regulations concerning the valuation of property and property rights.

Previously, under the now void Resolution of the Cabinet of Ministers of Ukraine No.231 dated 04.03.2013, specific valuation for tax purposes was carried out to that end only by valuation subjects trained in Specialization 1.8. ("Valuation for tax purposes...").

According to the Resolution, valuation of objects for tax purposes shall be carried out:

- valuation subjects including at least one qualified appraiser in one of specializations within Area 1 "Valuation of objects in tangible form" and Area 2 "Valuation of integral property complexes, shares, securities, property rights and intangible assets, including intellectual property rights";
- valuation subjects in the area of land valuation.

Valuation reports are valid for no longer than 6 months.

ARZINGER'S RELATED PUBLICATIONS:

— GETTING THE DEAL THROUGH - CONSTRUCTION 2015

Timur Bondaryev, Managing Partner,

Svitlana Teush, Senior Associate, **Volodymyr Grabchak**, Associate

/ Law Business Research Ltd., Getting the Deal Through - Construction 2015 /

¹ The Cabinet of Ministers of Ukraine adopted Resolution No.358 "On valuation for tax purposes and accrual and payment of other compulsory fees levied in accordance with the laws" No.358 dated 21.08.2014.



BANKING AND FINANCE

NATIONAL BANK OF UKRAINE MAKES THE SALE OF 100% OF FOREIGN EXCHANGE RECEIPTS MANDATORY

- On August 21, 2014 the Board Resolution of the National Bank of Ukraine (hereinafter, the NBU) "On regulating the situation in the foreign exchange market of Ukraine"² (hereinafter, the Resolution) came into effect. The Resolution introduced mandatory sale in the interbank foreign exchange market of Ukraine for 100% of foreign exchange received from abroad (i) to accounts of legal entities that are not authorized banks as well as to accounts of individual entrepreneurs, foreign representative offices (other than official ones), (ii) to accounts opened to carry out joint activities without establishing a legal entity as well as (iii) of foreign exchange receipts on accounts of residents opened outside Ukraine on the basis of individual NBU licenses.

The same requirement applies to the foreign exchange receipts under the first group of the Classifier of Foreign Currencies and Precious Metals, and in Russian rubles. The mandatory sale of foreign exchange should be carried out by banks without clients' orders and no later than the next business day after such receipts are credited to the distribution account.

In addition, the Resolution extends the effect of the shortened period for settlements under export and import agreements, which should not exceed 90 calendar days (instead of 180 days stipulated by the Law of Ukraine "On Procedure for Settlements in Foreign Currency").

Thus, to stabilize the situation on the foreign exchange market of Ukraine, the NBU has toughened the mandatory sale requirement, which previously applied only to 50% of foreign exchange receipts.

The Resolution is valid till 21.11.2014.

² Board Resolution of the National Bank of Ukraine "On regulating the situation in the foreign exchange market of Ukraine" No.515 dated 20.08.2014.

ARZINGER'S RELATED PUBLICATIONS:

- **GETTING THE DEAL THROUGH - PROJECT FINANCE 2015**
Oleksander Plotnikov, Counsel, Oleksander Zadorozhny, Associate
/ Law Business Research Ltd., Getting the Deal Through - Project Finance 2015 /
- **COMMENT: NBU STARTS TO "EXPROPRIATE"
THE CURRENCY OF INDIVIDUALS** (in Russian)
Oleksander Plotnikov, Counsel,
/ «Novoe Vremya», 2 September 2014 /



CORPORATE LAW

MANDATORY NOTARIZATION CANCELLED FOR SOME DOCUMENTS

— On August 7, 2014 the Law of Ukraine "On amendments to some legislative acts of Ukraine on attesting true copies of documents and excerpts therefrom as well as signatures on documents"³ (hereinafter, the Law) came into effect.

Thus, for a number of cases the Law cancels the requirement for mandatory notarization of transactions and facts of legal significance and notarization of documents for making them legally credible. **Officials of authorities that issue relevant documents can attest copies of the following documents, without resorting to notaries' services:**

- Documents to be submitted for obtaining a license for the production of ethyl, cognac and fruit alcohol, rectified grape ethyl alcohol, rectified fruit ethyl alcohol, raw grape alcohol, raw fruit alcohol, alcoholic beverages and tobacco products;
- documents to be submitted for obtaining a license for import, export, wholesale and retail trade in alcoholic beverages and tobacco products;
- founding documents confirming the right of a legal entity to buy an object of privatization;
- licenses for carriage of passengers required to participate in bidding procedures for carriage of passengers on public bus routes;
- founding documents provided by the legal entity seeking the status of a wholesale market for agricultural products.

The Law amends Article 24-1 of the Labour Code of Ukraine in respect of all individuals acting as employers regardless of their status of a self-employed individual (including private entrepreneurs). According to the amendments, a person may register a labour agreement with the State Employment Service authorized under a power of attorney in a simple written form (previously – under a notarized power of attorney).

Also, some articles of the Law of Ukraine "On State Registration of Legal Entities and Individual Entrepreneurs"⁴ have been amended. Thus, for instance, for state registration of a farm a copy of the State Act for the founder's private ownership of land or a copy of the State Act for the founder's permanent land use, or

3 Law of Ukraine "On amendments to some legislative acts of Ukraine on attesting true copies of documents and excerpts therefrom as well as signatures on documents" dated 13.05.14 № 1253-VII.

4 Law of Ukraine "On state registration of legal entities and individual entrepreneurs" No.755-IV dated 15.05.2003

a copy of agreement on the founder's right to use land, particularly on lease terms, require no notarization. The purpose of such amendments is to improve the existing legislative requirement to shorten the list of notarial acts, to minimize the cost of notarial services for consumers and to make such services available to all segments of the population.

REGISTRATION OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS IN VINNYTSIA AND KYIV REGIONS

- OVinnitsa and Kiev regions have implemented a pilot project for registration of legal entities and individual entrepreneurs who are actually stay / reside in Vinnytsia and Kiev regions, regardless of their registered place of stay / residence. The project is implemented pursuant to the Order of the Ministry of Justice of Ukraine dated 25.07.2014 № 1218/5⁵.

Within the pilot project applicants may file documents for registration regardless of their place of stay / residence within Vinnytsia and Kyiv regions. Applicants have access to information on the results of registration services through the official website of the Ukrainian State Register and of the State Enterprise "Information Resource Center." The results can be found by name or identification code of a legal entity, the full name of an individual entrepreneur or the registration number of a taxpayer's registration card.

However, the pilot project does not extend to cases of providing documents for registration by mail or electronic documents, as well as to the issuance of duplicates of constituent documents.

LIMITING GOVERNMENT INTERVENTION IN BUSINESS ACTIVITIES

- On August 17, 2014 the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine regarding the limitation of intervention in the activities of economic entities"⁶ (hereinafter, the Law) came into effect.

Under the amendments:

- various supervisory authorities may not conduct scheduled inspections of a single economic entity during one calendar year;
- it is prohibited to inspect business entities on anonymous or other unsubstantiated claims as well as on appeals of legal entities that are often used to put pressure on business or eliminate competitors;
- it is prohibited to seize originals of financial, economic, accounting and other documents as well as computers and their parts.

In accordance with the Law, individuals who have filed a baseless appeal on violation of legislation by a business entity shall be liable under the law.

In addition, the Law considerably restricts the list of relations that are subject to the Law of Ukraine "On the Basic Principles of State Supervision (Control) in the Field of Economic Activities"⁷. From now on, the

5 Order of the Ministry of Justice of Ukraine "On implementing a pilot project for filing documents for registration activities in relation to legal entities and individual entrepreneurs having their place of stay / residence in Vinnytsia or Kyiv regions, regardless of their place of stay / residence within these regions" dated 25.07.2014 No.1218/5.

6 Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine regarding the limitation of intervention in the activities of business entities" No.1600-VII dated 22.07.2014.

7 Law of Ukraine "On the Basic Principles of State Supervision (Control) in the Field of Economic Activities" No.877-V dated 05.04.2007.

Law does not apply to exchange control; customs control at the border; state export control; budget law compliance control; banking supervision; competition compliance control; supervision of compliance with nuclear safety requirements; and supervision in the field of civil aviation, in operational and search activities, inquiries, public prosecutor's supervision, pre-trial investigation and justice.

At the initiative of the State Entrepreneurship Committee, officials are made liable for violating inspection procedures. The harm caused to an individual or a legal entity by unlawful decisions, actions or inaction of an official of a state supervision (control) authority shall be compensated for from the respective budgets provided for financing that authority, regardless of the guilt of the relevant official. In turn, officials shall be liable to the State by way of recourse in the amount of compensation paid from the appropriate budget in connection with his/her unlawful decisions, action or inaction.

MOVING COMPANIES FROM CRIMEA

- On August 7, 2014 the Ministry of Revenues and Duties of Ukraine provided its Clarification "Current information for taxpayers moving from the temporarily occupied territories and ATO. Part 1".

Thus, to change their location / residence legal entities and individual entrepreneurs registered on the territory of the Autonomous Republic of Crimea or Sevastopol shall apply to a state registrar of the Registration Service of Ukraine in any region or in Kyiv. Having received information from the Unified State Register on the changes made the Supervisory Authorities shall register such taxpayers regardless of whether their registration record is obtained.

Registration cards of entities accredited by the Crimean or Sevastopol Customs that have changed and registered their location / residence in one of the regions of Ukraine or in Kyiv, may be amended (re-accredited) at the new place of location / residence upon the entity's application to a customs office. **After a registration card of an entity carrying out transactions with goods is amended:**

- the entity's record number remains unchanged;
- the entity's card record number is changed and a new card number is formed.

Separate subdivisions located in the territory of the Autonomous Republic of Crimea and Sevastopol have been transferred to the location of their head companies by supervisory authorities in the regions and Kyiv.

To be registered at a new place of location taxpayers subject to state registration specifics under the law that are not included into the Unified State Register (e.g. representative offices of non-residents) shall file applications in Form No.1-OIII (5-OIII) and documents on changes to the tax inspectorate at the new place of location.

A taxpayer's place of location (residence) in an application in Form No.1-OIII or 5-OIII shall be indicated in accordance with:

- the data contained in the Unified State Register – for taxpayers, records on which are contained in the Unified State Register;
- a document on registration, legalization, accreditation or certification of being established in a different manner – for taxpayers, no records on which are contained in the Unified State Register.

No repeated notification in Form No.20-OIII is required by supervisory authorities to reregister a company changing its place of location / residence from Crimea or Sevastopol to another region.

Notification in Form No.20-OIII shall be filed provided that a new object is established or opened, or if information about the taxation object is changed, in particular: in terms of type, name, location, state, purpose or core business.

ARZINGER'S RELATED PUBLICATIONS:

- **VIDEO INTERVIEW: UKRAINIAN FRANCHISING** (in Ukrainian)
Anna Zorya, Partner
/ ProCapital, 03 September 2014 /



LABOUR LAW

CLARIFICATION ON THE CATEGORY OF "OFFICIALS"

— On July 24, 2014 the State Labour Inspectorate provided its Clarification regarding the category "officials" in labour legislation⁸ (hereinafter, the Clarification).

The clarification was necessary due to the adoption of the Law of Ukraine "On amendments to certain legislative acts of Ukraine on protecting investors' rights"⁹ (hereinafter, the Law), which supplements Article 41 of the Labour Code of Ukraine by a new ground for terminating labour agreements with officials of companies at employers' initiative (Clause 5 is added).

It should be noted that the existing Labour Code does stipulate clearly who should be regarded as "officials" referred to in the amendment established by the Law.

Thus, according to the Clarification a company's officials are chairman and members of the executive board, chairman of the audit commission (auditor), and chairman and members of the supervisory board, if any. In its Clarification, the State Labour Inspectorate has only referred to provisions of the Commercial Code of Ukraine, but has omitted the Law of Ukraine "On Joint Stock Companies". Under the latter, officials are also members of the audit commission as well as chairman and members of any other body of a joint stock company, if the relevant body is established as provided for by the joint stock company's articles of association. However, as labour agreements (contracts) are normally concluded mostly with the chairman and members of the executive board, the additional ground in question will primarily be applied to such positions.

Also, according to the Clarification, dismissal of employees elected to the company's trade union is possible under the mentioned ground only in compliance with Article 252 of the Labour Code.

In other words, dismissals are not allowed within 1 year after the period the relevant composition was elected for (except for cases of the company's full liquidation, the employee's unsuitability for the position or work due to his/her health condition that prevents the continuation of work, or the employee's actions, based on which the law allows termination of employment or service. Such guarantee is not provided to employees in case of early termination of powers in the same bodies due to improper performance of their duties or at their own request, unless it is conditioned by their state of health.

Also, the State Labour Inspectorate asserts unequivocally that according to Par. 5 Article 41 of the Labour Code employees falling under the so-called "protected categories" (Article 184 of the Labour Code) may not be dismissed, which is logical, since their dismissal takes place at the employer's initiative.

⁸ <http://dpu.gov.ua/Lists/news/DispFormTrue.aspx?ID=491>

⁹ Law of Ukraine "On amendments to certain legislative acts of Ukraine on protecting investors' rights" No.1255-VII dated 13.05.2014.

EXEMPTION OF CERTAIN CATEGORIES OF PARENTS FROM MILITARY SERVICE

- On August 15, 2014 the Law of Ukraine No. 1614-VII "On amendments to some laws of Ukraine to strengthen the protection of children's rights"¹⁰ (hereinafter, the Law) came into effect.

Under the Law, military service men having **three or more dependent children under the age of 18** (previously – five or more children under the age of 16) shall not be subject to conscription within mobilization. Also, women and men raising alone children under the age of 18 as well as adoptive parents, guardians, foster parents supporting orphans or children deprived of parental care under the age of 18 shall be exempt from conscription. Such individuals may be called up for military service subject to their consent and only at the place of their residence. Furthermore, men and women having dependent adult children with disabilities under group I or II may not be called up for military service until the children turn 23.

In addition, women with children under the age of 18 (previously – of 16) shall be dismissed from military service during the special period, unless they wish to continue, with one-time allowance to be paid upon their dismissal.

ARZINGER'S RELATED PUBLICATIONS:

- **FEATURES OF LABOR DISPUTES WITH TOP MANAGEMENT** (in Russian)
Alesya Pavlynska, Senior Associate, **Kateryna Zviagina**, Associate
/ Analytical issue «Yuryst&Zakon, 08.08.2014 – 14.08.2014, No.31 /
- **REMUNERATION PACKAGE** (in Ukrainian)
Alesya Pavlynska, Senior Associate, **Alla Nadzon**, Associate
/ «Pratsya i Zakon», No.8, August 2014 /

¹⁰ Law of Ukraine No.1614-VII "On amendments to some laws of Ukraine to strengthen the protection of children's rights"

TAX LAW

CURRENT TAX CHANGES

- On July 31, 2014 the Parliament of Ukraine passed the Bill of Ukraine "On Amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine"¹¹ into law (hereinafter, the Law).

Most of the changes under the Law have come into effect on August 3, 2014, in particular, changes relating to the administration of military duty and taxation of transactions with securities.

In addition, the Law introduces a system of electronic administration for value added tax as of January 1, 2015.

MILITARY DUTY

Military duty will be temporarily collected until 01.01.2015 from income in the form of wages, other incentives and compensation payments or other exemptions and rewards accrued for (paid or provided to) the taxpayer in connection with labour relations or under civil contracts; gains from state and private monetary lottery or gains received by a gambler(s) from gambling organizers.

The duty rate amounts to 1.5% of the taxable object as described above. It should be borne in mind that military duty is applied to the full amount of accrued income, as the maximum base for levying the duty is not established as, for instance, for the Single Social Contribution (hereinafter, the SSC).

In addition, in calculations of military duty accrued income in the form of wages and benefits under civil law contracts cannot be reduced by SSC personal income tax amounts.

SECURITIES TRANSACTIONS

As of August 3, 2014 income from securities transactions shall be subject to corporate income tax at the basic rate of 18 percent (the previous rate was 10 percent).

HOSPITALITY PREFERENCES CANCELLED

The Law cancels the income tax preferences, in particular for hospitality services provided by five-, four- and three-star hotels.

Thus, income obtained by the mentioned taxpayers from hospitality services shall be subject to corporate income tax on the same basis as of August 3, 2014.

¹¹ Law of Ukraine "On Amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine" dated 31.07.2014 No.1621

GRAIN PREFERENCES

The effect of VAT exemptions on transactions for the supply of grain crops under headings 1001 - 1008 according to UKT ZED and industrial crops under headings 1205 and 1206 00 according to UKT ЗЕД on the customs territory of Ukraine from value added tax has been extended till 31.12.2014 (prior, the exemptions were in effect till 01.10.2014).

Moreover, the list of agricultural enterprises producing grain and industrial crops, whose export transactions are not subject to VAT exemptions and are taxed at the general rate of 0 percent, will be expanded as of October 1, 2014.

Starting from October 1, 2014 such exporters will include agricultural producers, provided that their crops are grown on agricultural land plots owned and/or permanently used and/or leased, duly registered in the manner established by the law, as at the date of such exports.

ELECTRONIC VAT ADMINISTRATION - DRAMATIC CHANGES

The most important novelty is the electronic VAT administration as of 01.01.2015, namely:

- Introduction of VAT accounts;
- Electronic tax invoices and tax reporting;
- Only automated state refund.

Pursuant to the changes, electronic VAT administration will be introduced for all VAT payers based on the interaction of the Unified Register of Tax Invoices and special VAT accounts. VAT accounts will be automatically opened for all taxpayers in the bank determined by the Cabinet of Ministers of Ukraine.

There are significant restrictions on sellers in terms of issuing tax invoices to buyers (a special formula should be used).

In connection with the introduction of VAT accounts payers will be required to register all tax invoices and adjustments to them in the Unified Register of Tax Invoices, to submit VAT reporting and to provide tax invoices to customers in electronic form only, starting from 01.01.2015.

Also, refund will be provided in the automated mode and only to exporters and/or investors that comply with the requirements of the Tax Code of Ukraine, namely:

- Net book value of fixed assets according to tax records is 12 times higher than the amount of VAT claimed for refund (total claim), and
- Export is not less than 40 percent of sales over the past 12 months and/or investments in non-current assets are less than UAH 3 million over the past 12 months (special requirement).

Thus, the new VAT administration procedure excludes the possibility of VAT refund on domestic transactions, if investments in non-current assets in the past 12 months are less than UAH 3 million or the share of export operations is less than 40 percent of the taxpayer's turnover.

Practically, it means a significant reduction in the number of persons entitled to VAT refund. Other taxpayers may use their VAT credit accumulated on VAT accounts only if they carry out VAT taxable transactions. If registration is cancelled, the balance in the relevant VAT account is transferred to the state budget.

In addition, there are concerns that some inaccuracies and irregularities in the text of the rules for electronic

VAT administration could potentially may render the use of VAT credit and even confirmed refund (claimed to reduce tax liability in subsequent tax periods) accumulated prior to 01.01.2015 impossible from the mentioned date.

We will keep you informed about all clarifications and possible changes in terms of electronic VAT administration.

ARZINGER'S RELATED PUBLICATIONS:

- **TAX COMPROMISE: EXIT OR TRAP** (in Ukrainian)
Olga Baranova, Senior Associate
/ Yurydychna Gazeta No.9-10 /
- **REFORM IN TAX REMISSIONS FOR FARMERS** (in Ukrainian)
Anna Zorya, Partner, **Kateryna Zviagina**, Associate
/ Yurydychna Gazeta, 2 September 2014 /

ENERGY

REFORMING THE UKRAINIAN GAS TRANSPORTATION SYSTEM (GTS)

— On August 14, 2014 the Parliament of Ukraine passed the Bill of Ukraine "On amendments to some legislative acts of Ukraine on reforming the management system of the Unified Gas Transportation System of Ukraine"¹² into law (hereinafter, the Law).

The Law was adopted to reform the National Joint Stock Company "Naftogaz of Ukraine" to meet Ukraine's commitments under the Protocol on the accession of Ukraine to the Treaty establishing the Energy Community¹³.

The explanatory note to the document states that the law will allow reforming the National Joint Stock Company "Naftogaz of Ukraine" to raise the economic efficiency of the oil and gas industry in line with the requirements of EU legislation in connection with Ukraine's accession to the Treaty establishing the Energy Community and will help to strengthen Ukraine's energy independence.

According to the document, dispatcher control (of operations and technology) functions are performed by the operator of the Unified Gas Transportation System of Ukraine.

Functions of the operator of the Unified Gas Transportation System of Ukraine are assigned to an enterprise that may be founded or owned exclusively by the State, or (in the case of a joint venture), the State (owning at least 51 percent of participation rights) and a legal entity (legal entities) owned and controlled by residents of Member States of the EU, the United States of America or the Energy Community.

According to the Law, foreign companies seeking to purchase a share in the Ukrainian GTS are obliged to disclose all of their ultimate owners.

It should be noted that the Law does not prescribe any particular timelines for the Cabinet of Ministers of Ukraine to streamline the legal regulations in compliance with the Law.

The Law is pending signature of the President of Ukraine.

¹² Bill on amendments to some laws of Ukraine on reforming the management system of the Unified Gas Transportation System of Ukraine № 4116a dated 18.06.2014

¹³ Treaty establishing the Energy Community dated 25.10.2005.

SUBSOIL USE PAYMENT REDUCED BY HALF FOR NEW WELLS

- On August 2, 2014 the President of Ukraine signed the Law of Ukraine "On amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine (to improve certain provisions)"¹⁴ (hereinafter, the Law).

Under the Law, the Government provides a 2-year grace period for each new well that will be drilled or where production of oil and gas has started. The allowance is 50 percent of the standard rental rate. However, the well should be registered with the State Register of Oil and Gas Wells after August 1, 2014.

By introducing the relevant grace period the Government stimulates an increase in domestic oil production and strengthens the energy security of Ukraine.

THE GOVERNMENT HAS ESTABLISHED PROCEDURE FOR INTRODUCING A STATE OF EMERGENCY ON THE UKRAINIAN ENERGY MARKET

- On August 13, 2014 the Cabinet of Ministers of Ukraine passed its Resolution "On approving the Procedure for taking temporary emergency measures to overcome the effects of prolonged disruption on the electricity market"¹⁵ in compliance with the Law "On Electric Power Industry" (hereinafter, the Resolution), the Minister of Energy and Coal Industry Yuriy Prodan reported.

According to the Minister, the document was adopted in connection with the problems in the supply of coal products to the warehouses of thermal power plants. According to the Resolution, units will be fed according to the availability of fuel rather than on the basis of the existing energy market rules.

Also, the Minister did not rule out restrictions on the Ukrainian electricity exports.

It should be noted that on 04.07.2014 the Parliament of Ukraine adopted the Draft Law "On the special period in the fuel and energy complex" on first reading. The Draft Law allows the Government to introduce a state of emergency in the energy sector of Ukraine.

¹⁴ Law of Ukraine "On amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine (to improve certain provisions)" № 1621-VII om 31.07.2014

¹⁵ Resolution of the Cabinet of Ministers of Ukraine "On approving the Procedure for taking temporary emergency measures to overcome the effects of prolonged disruption on the electricity market" № 372 om 13.08.2014



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Newsletter

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— [FOOD & DRINKS NEWSLETTER – AUGUST – 2014](#)

ARZINGER'S RELATED PUBLICATIONS:

— [PACKAGING AND WASTE](#) (in Russian)
Lana Sinichkina, Partner, **Maria Baranovych**, Associate
/ «Upakovka» magazine ; 4-2014 (page 60-65) /