



# Ukraine Legal Market News

## *Amendments to the Land Code*

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According to the Law of Ukraine No.1066-VI, dated March 5, 2009, Verhovna Rada of Ukraine (the Parliament) adopted the amendments to the Land Code of Ukraine. In particular, the following provisions were introduced into the Land Code of Ukraine:

- the land acquisition (e.g. sale-purchase) agreements executed in respect of the private lands shall be considered as sufficient title documents (in other words, the acquirer shall not be obliged to obtain the State Land Ownership Act after execution of the sale-purchase agreement). The above mentioned amendments will simplify and shorten the procedure of land plots acquisition as the stage of the State Land Ownership Act obtaining is to be excluded;
- the procedure for alienation of the part of the land plot is clarified. The amended Land Code of Ukraine sets forth the rules that the part of the land plot shall be alienated only subject to "allotment" of such part and obtaining of the State Land Ownership Act for it.

The above mentioned amendments to the Land Code of Ukraine will come into force within month after publishing.

## *Procedure for Determining of Net Asset Value of Joint Investment Institutions*

Pursuant to the Resolution of the State Commission on Securities and the Stock Market of Ukraine No.1441, dated December 16, 2008 (registered with the Ministry of Justice of Ukraine on March 16, 2009) amendments to the Procedure for Determining of Net Asset Value of Joint Investment Institutions (Unit and Corporate Funds) (hereinafter – the "**Regulation**") by means of adoption of the new edition were introduced.

The Regulation was adjusted in accordance with the latest amendments to the Law of Ukraine On joint Investment Institutions (Unit and Corporate Funds). It should be also noted, that the Regulation in addition to the procedure for determining value of securities, contains provisions on determination of value for: debt receivables, dividends, participation rights, loans, monetary funds and bank metals.

## *Aggravation of Administrative and Criminal Liability*

The Law of Ukraine "On Amendments to the Code on Administrative Offences of Ukraine and to the Criminal Code of Ukraine related to aggravation of liability for late payment or unreasonable nonpayment of salary, educational grant, pension or other payment set forth in the laws" has become effective since March, 11 2009.

According to the mentioned law the penalties for violation of the payment terms for salary, educational grant or pension provided for by the labor laws were increased. In particular,

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- fine amount, provided for by the Code on Administrative Offences of Ukraine (the minimum fine is increased from 255 to 510 UAH, the maximum fine is increased from 850 to 1700 UAH), as well as fine amount, set forth in the Criminal Code of Ukraine (the minimum fine is increased from 1700 to 8500 UAH, the maximum fine is increased from 5100 to 17000 UAH) are increased.
- the maximum period for imprisonment, provided for by the Criminal Code of Ukraine is increased from 3 to 5 years.

instruments of affecting the debtors for the purpose of the fastest debt recovery.

It should be noted, that according to the law individuals – private entrepreneurs (and not the directors of enterprises, institutions and organizations only) are subject to the criminal liability for the willful unreasonable nonpayment of salary, educational grant, pension or other payment prescribed by the law for the period more than one month.

### *Certain Issues on Procedure Rules Application*

The Highest Commercial Court of Ukraine in its Letter No.01-08/163, dated March, 12, 2009, clarified certain issues related to the procedure rules application.

In particular the Highest Commercial Court of Ukraine explained that the effective administrative court decision is obligatory for a commercial court with respect to the facts found by the administrative court and which are of importance for the commercial dispute resolution.

### *Court Practice on Termination of Time Deposit Contract*

On March 11, 2009 Chernigiv region Court of Appeal upheld the decision of the court of Chernigiv's Desnyanskyi district, dated January 5, 2009, at the suit to the bank on termination of time deposit contract and debts recovery. According to the mentioned decision it was confirmed that a bank depositor is entitled on early termination of time deposit contract in its sole discretion.

The Court of Appeal drew attention that such a ground that the bank acted in accordance with the regulations of the National Bank of Ukraine shall be disregarded if the National Bank's of Ukraine regulations contradict to the Civil Code of Ukraine.

### *The KPD CONSULTING Law Firm's News*

On March 20, 2009 Vladyslav Kysil and Mykhaylo Kurochka, partners at KPD CONSULTING Law Firm, on invitation of one of large Ukrainian banks acted as visiting professors of seminar "Securing of obligations in banking activities. Practical issues of debt collection". The training was held for business department and risk management personnel as well as to the lawyers.

The training covered the following issues: legal aspects of securing obligations, functioning of the state registers, judicial and extrajudicial enforcement procedures, special