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# Ukraine Legal Market News

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November 2008

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## *Land Auction Procedure*

On November 11, 2008 the Constitutional Court of Ukraine passed the decision on the Decree "On Land Auction Procedure in the year 2008" of the Cabinet of Ministers of Ukraine (Case No.1-46/2008).

The Constitutional Court of Ukraine supported the petition of the President of Ukraine and ruled that the approval of the land auction procedure by the above-mentioned Decree did not comply with Constitution of Ukraine as it exceeded the authorities of Cabinet of Ministers of Ukraine. The land auction procedure adopted by the Cabinet of Ministers of Ukraine ceased to be valid as of November 11, 2008.

Currently the land auction shall be followed according to provisions of the Land Code of Ukraine.

## *Alienation of the Parts of Land Plots*

The State Committee on Land Resources of Ukraine issued a letter on August 13, 2008 (published on November 23, 2008) clarifying the procedure of alienation of the parts of land plots.

As it appears from the mentioned letter the land legislation does not provide for the existence of such legal object as a "part of the land plot" and doesn't set forth any provisions on alienation of parts of the land plots. The State Committee on Land Resources of Ukraine further clarifies that if the landowner decides to alienate a part of the land plot it shall divide it through allotment procedure.

To make such division it is necessary to elaborate and to approve the feasibility studies on allotment of the land plot and, afterwards, to apply for issuance of the State Ownership Acts for each allotted land plot.

## *Conversion of Registered Documentary Shares into Non-Documentary (Book-Entry) Form*

According to Decision of the State Commission on Securities and the Stock Market of Ukraine No. 955, dated August 29, 2008 (registered with the Ministry of Justice of Ukraine on November 3, 2008 and officially published in "Ofitsiynyi Visnyk Ukrainy" No. 85 on November 17, 2008) certain amendments were introduced to the Regulations on the Procedure of Conversion of Registered Documentary Shares into Non-Documentary (Book-entry) Form.

Pursuant to the mentioned amendments: (i) the issuer's decision on conversion of shares into non-documentary (book-entry) form shall be adopted by the general meeting and formalized in minutes; (ii) the issuer shall notify shareholders on the decision and publish it not later than 10 (ten) days after the date of such decision; (iii) the issuer shall conduct all necessary actions regarding replacement of a certificate on registration of documentary shares issue by a certificate on registration of non-documentary (book-entry) shares issue not later than 30 (thirty) days after the date of such decision. Furthermore, it is also specified a list of actions, which the issuer shall conduct for the conversion, as well as requirements to the mentioned minutes of general meeting and notification.

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### *Changes to Currency Control Regulations*

The National Bank of Ukraine (hereinafter the “NBU”) adopted Regulation No.351, dated November 4, 2008, which introduced amendments to the procedure on determination of official UAH rate to foreign currencies and rates of bank metals.

According to the mentioned NBU’s regulation as of November 28, 2008 the official rate of UAH to USD is determined at a rate, determined at the Ukrainian interbank currency market as a result of functioning of the NBU’s clearing system for interbank currency market of Ukraine, for the previous business day.

### *Amendments to the Code of Ukraine on Administrative Offenses with respect to Traffic Regulations Violation*

On November 17, 2008 the Law of Ukraine No. 586-VI “On Amendments to Laws of Ukraine for Improving Regulation of the Traffic Safety” has become effective. Pursuant to this law the list of offenses resulting in administrative liability is extended and penalties for the traffic regulations violation are increased in 7-10 times.

Moreover, according to the law material changes to proceedings on administrative offenses have been introduced. In particular, possibility of appellation of the decisions of local courts is introduced. The law provides for the list of persons who may file appeal petitions, the term of appellation proceedings, the powers of the appeal courts etc.

