

LAW OF UKRAINE

On Stimulation of Agricultural Development for the Period of 2001 - 2004

As changed and amended
by the Law of Ukraine
of June 7, 2001 No.2514-III

This Law shall determine fundamental principles of state policies on the reform of agriculture as a priority industry within the national economy during the period from 2001 to 2004.

Section . GENERAL PROVISIONS

Article 1. Definitions of Terms

In this Law, the terms shall have the following meaning:

“industry standard costs” shall mean a total of expenses of business entities incurred in the course of production and sale of agricultural products determined on the basis of socially necessary standard costs for this industry, productivity of land and livestock;

“secured price (support price)” shall mean the cost of products guaranteed by the State, which compensates average industry standard costs and ensures a minimum profit sufficient for reproduction;

“reduced interest rate” shall mean a rate applied when granting loans to agricultural enterprises under the special lending regime;

“compensation for interest rates” shall mean compensation by the State for a part of value of loans taken by agricultural products at commercial rates pursuant to agreements;

“provision of loans to agriculture” shall mean a system of measures undertaken by the State aimed at satisfying needs of agricultural products for credit facilities for a certain time period;

“agriculture (agricultural production)” shall mean a type of economic activity aimed at manufacturing products pertaining

Duties and other taxes shall not be imposed in case of importation into the customs territory of Ukraine of components and spare parts for agricultural machinery, herbicides and pesticides that are not produced in Ukraine.

(part two of Article 5 article
as amended by the Law of Ukraine of 07.06.2001 No. 2514-III)

Article 6. Fixed Agricultural Tax

For the period until January 1, 2004 agricultural enterprises shall pay a fixed agricultural tax pursuant to the Law of Ukraine "On Fixed Agricultural Tax".

Article 7. Value-Added Tax

It is provided that until January 1, 2004 amounts payable as the value-added tax levied on the sale of agricultural products shall remain at the disposal of agricultural enterprises and shall be used for replenishing fixed and circulating assets.

Until January 1, 2004, the total amount of the value-added tax payable into the budget by the processing enterprises of all types of ownership for sold milk and milk products, meat and meat foods shall be transferred only to agricultural products as subsidies for meat in live weight and milk, which such agricultural products sold to the processing enterprises.

Article 8. Charges for Development of Viticulture, Gardening and Hop-Growing

For a period until January 1, 2004 charges for development of viticulture, gardening and hop-growing shall be paid pursuant to the Law of Ukraine "On Charges for Development of Viticulture, Gardening and Hop-Growing".

Article 9. Time Periods within which Tax Liabilities Arise

For enterprises that supply material and technical resources and render services to agricultural products of all types of ownership and for agricultural products that sell their own agricultural products and products as a result of the processing thereof, the date when tax liabilities on the sale of goods (work, services) arise shall be the date of depositing funds from a buyer of products (works, services) to a taxpayer's bank account; in case of in kind settlement – the date on which a taxpayer received goods (work, services) as payment for supplied (sold) goods (work, services).

Article 10. Use of Funds from the State Budget of Ukraine for Agricultural Development

Part of expenditures of the State Budget of Ukraine on financing agricultural development shall be not less than 5 percents of the budgetary expenditures.

Expenditures items of the State Budget of Ukraine related to financing of agriculture shall be formed directly by the Ministry of Agrarian Policy of Ukraine proceeding from the general amounts of budgetary allocations for this industry.

Section IV. PECULIARITIES OF CREDITING AGRICULTURE

Article 11. Peculiarities of Crediting Agricultural Producers

Loans to agricultural products shall be granted through a combination of generally accepted procedures for the extension of loans with a special lending regime, taking into account specifics of agricultural production and conditi

Attachment of a land plot owned by a citizen as private property as well as a land plot (share) in connection with creditors' claims shall not be permitted unless they are pledged.

Section V. INSURANCE OF AGRICULTURAL PRODUCTION RISKS

Article 15. Relations in the Area of Agricultural Risks Insurance

The yield of crops and perennial plantations shall be compulsorily insured by state-owned agricultural enterprises and yield of grains and sugar beets shall be insured by agricultural enterprises of all types of ownership.

Insurance premiums for compulsory insurance of harvest of agricultural cultures and perennial plantations shall be partially compensated from the State Budget of Ukraine in an amount not less than 50 percents of expenditures incurred by agricultural enterprises.

Section VI. INTERNATIONAL AGREEMENTS

Article 16. International Agreements

If an international agreement of Ukraine that has been ratified by the Verkhovna Rada of Ukraine contains rules other than those incorporated in this Law, the rules of the international agreement shall be controlling.

Section VII. ENFORCEMENT OF THE LAW

Article 17. Obligations to take into account Provisions of this Law in the Course of Development and Adoption of Legislative and other Regulatory Acts

Provisions of the Law of Ukraine "On Stimulation of Agricultural for the Period of 2001 - 2004" shall be obligatorily taken into account in the course of development and adoption of legislative and other regulatory acts.

Section VIII. FINAL PROVISIONS

1. This Law shall enter into force on the day of its promulgation.
2. This Law shall apply to legal relations that have arisen after the entry of this Law into force.
3. To acknowledge as such that have lost effect paragraph two of Chapter VII "Final Provisions" of the Law of Ukraine "On the Restoration of Solvency of the Debtor or Declaring it Bankrupt" as from the date of entry of this Law into force.
4. The Cabinet of Ministers of Ukraine shall:

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