

**LAW OF UKRAINE**

**ON EVALUATION OF PROPERTY AND PROPERTY RIGHTS AND  
PROFESSIONAL EVALUATION ACTIVITY IN UKRAINE**

**No.2658-III**

**12 July 2001**

(Vidomosti Verkhovnoji Rady (VVR), 2001, No. 47, page 251)

This Law shall define legal principles of evaluation of property and property rights, professional evaluation activities in Ukraine, state and civic regulation of such activities, as well as legal principles to ensure that a system of independent property evaluation is established in order to protect legal interests of the State and other persons and

Property evaluation procedures shall be laid down in

Rights, obligations and liability of evaluation entities shall be governed by this Law and other laws.

***Article 6. Evaluators***

Ukrainian citizens, foreign nationals and stateless persons, who have passed a qualification exam and received an evaluator's qualification certificate in accordance with the requirements of this Law, may be evaluators.

A person, who has a non-expunged record of conviction for mercenary crimes, may not be an evaluator.

Rights, obligations and liability of evaluators shall be governed by this Law and other laws.

**Chapter II**

***Article 8. Restrictions on the Conduct of Property Evaluations***

It shall be prohibited for evaluation entities – business entities – to carry out Evaluations of Property in the following instances:

Property Evaluations by an evaluation entity, registered as a business entity, of the property which is owned by such an evaluation entity or evaluators, who work on its staff, on the basis of ownership rights or to which property the said persons hold property rights;

Property Evaluations of property of a natural person – a client or managers of a legal entity, which is a client for such Evaluations, by an evaluator, who has family relations with the above referenced persons, or with the evaluation entity registered as a business entity, whose management has such relations;

Property Evaluations of the property of its founders (participants).

The following restrictions shall be imposed in the course of Evaluations of Property that are carried out by government agencies, including the State Property Fund, and local self-government authorities:

no exclusive right may be provided for government agencies and local self-government authorities or evaluators, who work at the government agencies and local self-government authorities, to carry out Evaluations of Property, except as otherwise provided by law;

no forms of the exclusive right may be provided for evaluation entities, which are established by the said government agencies and local self-government authorities, to carry out Evaluations of Property.

Results of a Property Evaluation carried out in violation of the above referenced restrictions shall be recognized as invalid, and shall be subject to mandatory revocation.

Evaluations of Property to be obligatorily carried out in the instances listed in Article 7 of this Law, which have been performed by entities that are not evaluation entities, shall be recognized as invalid.

***Article 9. Methodical Regulation of Evaluation of Property***

Property Evaluations shall be subject to methodical regulation per provisions of the Regulatory Acts on Property Evaluation: Property Evaluation rules (national standards) that are approved by the Cabinet of Ministers of Ukraine, methodologies and other regulatory acts and rules drafted subject to the requirements as are laid down in the provisions (national standards) and are approved by the Cabinet of Ministers of Ukraine or the State Property Fund of Ukraine.

Regulatory Acts on Property Evaluation shall be drafted on the basis of international standards of evaluation. The State Property Fund of Ukraine shall involve other government agencies, self-regulatory organizations of evaluators, highly renowned evaluators, and scientific and other institutions into such drafting efforts.

Regulatory acts that govern property value (price) matters must not be inconsistent with the Property Evaluation provisions (national standards).

The Property Evaluation provisions (national standards) must contain definitions of terms, including definitions of market value, evaluation principles, methodical approaches and specifics of evaluation of particular property depending on a purpose of evaluation, requirements for the text and format of property evaluation reports and procedures for reviewing such reports.

The Property Evaluation provisions (national standards) shall prescribe instances when evaluators should use methodical approaches for evaluation of the market value of property, and instances of and restrictions on the application of methodical approaches for determination of non-market kinds of property value. In such case, market value shall be determined, unless laws or regulatory acts and rules of the Cabinet of Ministers of Ukraine, an agreement for Evaluation of Property or a court order indicates the kind of value that must be determined as a result of evaluation.

The Property Evaluation provisions (national standards) shall be binding on evaluation entities in the course of their conduct of Evaluations of property of all ownership forms and in any instances such Evaluations are carried out.





Property evaluation reports (property evaluation acts) shall be reviewed by an evaluator, who is employed by a government agency, per requests filed with government agencies or in connection with the fulfillment of his official responsibilities, within the limits of his powers as are laid down in a job description. If a request of a government agency contemplates providing a conclusion on the value of property and preparation of such a conclusion requires an independent Evaluation, government agencies shall cause such evaluation to be carried out pursuant to the procedures specified in this Law.

In other cases property evaluation reports (property evaluation acts) shall be reviewed on a paid basis.

### **Chapter III**

#### **ACQUISITION OF THE RIGHT TO ENGAGE IN EVALUATION ACTIVITIES**

##### ***Article 14. Professional Training of Evaluators***

Professional training of evaluators shall be carried out by educational institutions that have entered into agreements for cooperation in the professional training of evaluators with the Sta.7(i)3.5(t)3.5(h)T#0 6 0 -5.F.00048.724576 Tw[

A Qualification Certificate shall be issued within two weeks after a natural person has filed the following documents with the State Property Fund of Ukraine: an application for a Qualification Certificate (the model application is determined by the State Property Fund of Ukraine), a copy of the passport, a copy of the document confirming availability of a higher education, a payment document confirming payment of a fee for issuance of the Qualification Certificate.

***Article 16. Procedures for Adoption of Decisions to issue, revoke and suspend Qualification Certificates***

A decision to issue a qualification certificate shall be adopted by an Examination Commission whose members are approved by the State Property Fund of Ukraine and chosen from among the Fund's representatives, representatives from other government agencies, whose powers include implementation of state policies in the area of Property Evaluation and who have the necessary level of training in





entry into force of two and more court decisions, whereby claims have been satisfied against the evaluation entity and evaluators, who work at such entity, in connection with their conduct of the low-quality Evaluation of Property;

presence among evaluators, who are indicated the statement, of evaluators whose Qualification Certificates are indicated in statements of other business entities that filed an application for a Certificate earlier, or whose Qualification Certificates have been suspended or annulled in accordance with Article 16 of this Law;

absence on a business entity's staff of at least one evaluator, who has a Qualification Certificate in Property Evaluation areas, for which the Certificate is issued;

holding by a business entity of a license to conduct an activity which, pursuant to law, is exclusive.

A Certificate shall be issued within two weeks by the State Property Fund of Ukraine on the basis of results of review and verification of the documents submitted by a business entity. The State Property Fund of Ukraine shall maintain the State Registry of Evaluation Entities that have been issued Certificates.

Within one week, evaluation entities – business entities – shall be obligated to inform the State Property Fund of Ukraine in writing about changes in an entity's staff of evaluators as from the time of the entry into force of the Certificate, its legal status, other essential information on whose basis a decision is adopted to issue or annul Certificates in accordance with this Law.

Disputable issues regarding a refusal to issue a Certificate shall be resolved by the Supervisory Board for Evaluation Activity Affairs upon filing of a respective application by an evaluation entity registered as a business entity.

A decision refusing issuance of a Certificate may be challenged in court.

#### ***Article 20. Annulment of an Evaluation Entity's Certificate***

A Certificate may be annulled by the State Property Fund of Ukraine exclusively on the following grounds:

on the basis of a conclusion of the Supervisory Board for Evaluation Activity Affairs if there are violations of requirements of this Law and other Regulatory Acts on Property Evaluation, which violations have been uncovered through reviewing and which violations have resulted in recognizing the Evaluation of Property, carried out by an evaluation entity registered as a business entity or by evaluators who work on its staff, to be of poor quality;

lay-off of all evaluators, who have been indicated as employees of the business entity at the time a decision was adopted to issue the Certificate, or revocation or suspension of their Qualification Certificates;

entry into force of two and more court decisions, whereby claims have been satisfied against evaluators (evaluation entity that is registered as a business entity) in connection with their conduct of the low-quality Property Evaluation;

uncovering of violations of Article 8 of this Law committed by evaluators (evaluation entity that is registered as a business entity);

liquidation of an evaluation entity registered as a business entity that has received a Certificate;

absence on the evaluation entity's staff of at least one evaluator, who has a Qualification Certificate in Property Evaluation areas that are specified in the Certificate;

failure to inform the State Property Fund of Ukraine about circumstances specified in Part 5 of Article 19 of this Law, which are of essential importance for purposes of evaluation activity control.

Certificates shall be renewed pursuant to the procedures prescribed by this Law for their issuance.

Procedures governing the consideration of matters involving Certificate annulments and renewals shall be prescribed by the State Property Fund of Ukraine.



international norms and rules on Property Evaluation, securing of public interests in Property Evaluation matters, promotion of competition among the evaluation entities – business entities and educational institutions that carry out professional training of evaluators, accomplishment of Property Evaluations by government agencies and local self-government authorities in accordance with law.

The main areas of state regulation of evaluation activities shall be as follows:

control whether the integrity of the regulatory framework of and organizational support for Evaluations of Property is observed;

enforcement of rules and levels of professional training for evaluators, and control over the compliance therewith;

control whether evaluators and evaluation entities comply with conditions that are prescribed for the conduct of evaluation activities;

organizational support of and for activities of the Supervisory Board and the Examination Commission;

issuance of Qualification Certificates and Certificates;

**Chapter V****SELF-REGULATORY ORGANIZATIONS OF EVALUATORS*****Article 26. Definition of a Self-Regulatory Organization of Evaluators***

Self-regulatory organizations of evaluators are Ukrainian national non-government organizations that unite natural persons, who are recognized as evaluators under procedures laid down in this Law, have obtained their status in accordance with the requirements of this Law and discharge powers concerned with civic regulation of evaluation activities.

Establishment of and working procedures for self-regulatory organizations of evaluators shall be governed by the legislation on citizens' associations, subject to specific provisions contained in this Law.

The self-regulatory organizations of evaluators shall be legal entities that operate on the basis of self-governance and engage in not-for-profit activities.

***Article 27. Procedures for Recognition of Status of a Self-Regulatory Organization of Evaluators***

Ukrainian national non-government organizations of natural persons recognized as evaluators in accordance with this Law, which organizations apply for recognition of their status as a self-regulatory organization of evaluators, must comply with the following criteria:

the number of evaluators must be at least 250 persons;

90% of the members of an organization's total membership number must carry out evaluation activities in any form as is specified in Article 4 of this Law at evaluation entities;

established procedures are available for internal certification of its members in order to control the quality of Property Evaluations that are carried out by such members.

Procedures under which the status of self-regulatory organizations will be recognized by the State Property Fund of Ukraine shall be prescribed by the Cabinet of Ministers of Ukraine.

***Article 28. Powers of Self-Regulatory Organizations of Evaluators***

Self-regulatory organizations of evaluators shall discharge the following powers concerned with civic regulation of evaluation activities:

control of compliance with the Property Evaluation provisions (national standards) and other Regulatory Acts on Property Evaluation, assurance of adequate quality of Property Evaluations that are carried out by evaluators who are their members;

reviewing of property evaluation reports resulting from Property Evaluations carried out by evaluators who are members of a self-regulatory organization of evaluators, at the request of other organizations, citizens, legal entities in accordance with the requirements laid down in the Property Evaluation provisions (national standards) and under procedures specified by the self-regulatory organization;

participation in the drafting of Regulatory Acts on Property Evaluation;

participation in the professional training of evaluators;

participation in the Examination Commission and the Supervisory Board;

protection of its members in matters relating to court and pre-court resolution of disputes involving Property Evaluations, in accordance with law;

promotion of competition among evaluators;

improvement of the professional level of members of the self-regulatory organization by way of internal certification pursuant to a procedure established by the self-regulatory organization;

to ensure that its representatives are present at a Supervisory Board meeting reviewing the matter of annulment of the evaluation entity's Certificate;

to challenge actions of officials of government agencies and local self-government authorities, decisions of the Supervisory Board and the Examination Commission through court proceedings.

***Article 31. Obligations of Evaluators and Evaluation Entities***

Evaluators and evaluation entities shall be obligated:

to comply with the requirements of this Law and Regulatory Acts on Property Evaluation in the course of Property Evaluation activities;

to ensure the impartiality and objectivity of Property Evaluations, notify a client that it is impossible to carry out an impartial and objective Evaluation of Property in connection with the arising of circumstances interfering therewith;

to ensure the storage of documents that have been received from a client and other persons in the course of conducting Property Evaluations;

ensure that ministries and other central agencies of executive power bring their regulatory acts and rules in conformity with this Law.



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