

# NEWSLETTER

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## **CUSTOMS LAW**

### **Simplification of export-import procedures for goods registration**

On 4 November 2015, the Verkhovna Rada of Ukraine adopted the Law on Ratification of the Protocol to the Marrakech Agreement on establishment of the World Trade Organization, which envisages a significant simplification of the import-export procedures.

Realization of the provisions of the Protocol will lead to decrease of expenditures upon performance of international trade. In particular, it is expected to introduce procedures of a 'single window' and accelerated shipping of goods.

In addition, the Protocol also envisages decrease in time and price for the customs control, increase of transparency and effectiveness of transactions of state authorities, increase of trade flows, state income and direct foreign investment, decrease in the level of corruption, enlargement of cooperation between state and private sectors, active use of electronic payments, guaranties of accelerated release of goods for free circulation, application of the temporary import regime, unification of border and simplification of transit procedures.

## **DOING BUSINESS**

### **Encouraging development of public-private partnership in Ukraine**

On 24 November 2015, the Verkhovna Rada adopted the law on development of public-private partnership (PPP) and encouragement of investment in Ukraine. The law introduced a number of changes to the Law of Ukraine "On public-private partnership" and other laws that regulate the matter of investment, in particular, in relation to development of industrial parks in Ukraine.

Provisions of the adopted law mainly deal with attraction of funding to the PPP projects. In addition, the law provides for broader areas of use of PPP, and grants the right to the private partner to obtain a land plot, on which a PPP object is located. Important amendments were made in order to regulate the issue of ownership to the objects of PPP. The state is entitled to substitute the private partner in the event of the failure of the latter to perform its obligations. The private partner is entitled to set economically reasonable tariffs for its services, as well as additional guarantees, such as, for example, to refer the disputes to international arbitration. Also, the general procedure for preparation of the PPP projects was modernised, in particular, the international approaches to calculation of the concession payments were implemented.

Regulation of activities of industrial parks was also significantly amended due to adoption of the law on development of industrial parks, which introduced new

conditions for activities of such parks in Ukraine. In particular, the burdensome procedures for selection of the managing company and lease of objects to the participants of the park by the initiator or managing company were cancelled.

We note that the Law of Ukraine “On public-private partnership” was adopted in 2010, but so far only a couple of the PPP projects are being implemented in Ukraine. Despite that the Law of Ukraine “On industrial parks” came into force in 2012, the first industrial parks in Ukraine were created only in 2014.

### **Expansion of air traffic**

On 4 November 2015, the Verkhovna Rada ratified a number of international treaties in the area of air traffic and air carriage. Ratification is made for the purposes of completion of internal procedures in order to enforce bilateral international agreements.

Thus, the respective ratifications were made in relation to the agreements with the governments of Montenegro, the United Arab Emirates and the United States of America. Pursuant to the ratified agreements, each party provides access for other party to use its air space for the purposes of performance of regular international traffic.

Ratification of the agreements aims at broadening of cooperation in the area of air transportation, expansion of flight geography of Ukrainian air companies and creation of the appropriate legal base.

### **New rules for truck transport**

On 21 October 2015, the Cabinet of Ministers adopted the Resolution No. 869 on changes to the Traffic Rules, pursuant to which it is prohibited to use general roads of local significance by vehicles with axis load of over 7 tons or actual weight of over 24 tons.

The Cabinet of Ministers also prohibited to use road traffic in case of transportation of divisible goods by vehicles with single axis of over 11 tons, dual axis of over 16 tons, triple axis of over 22 tons or actual weight of over 40 tons. For container transporters the load shall not exceed 11 tons on single axis, 18 tons on dual axis, 24 tons on triple axis; the actual weight shall not be over 44 tons or exceed 46 tons on routes established by the State Agency of Automobile Roads of Ukraine or the Ukrainian State Traffic Inspectorate.

This Resolution became effective on 4 November 2015.

## LABOUR LAW

### Changes in the Procedure for compensation for mobilized

On 20 November 2015, the changes to the Procedure for compensation to entities, organisations and institutions for mobilised employees became effective.

Following the amendments, the Procedure for compensation to entities, organisations and institutions for mobilised employees is applicable to those employees, who are conscripted for military services or work for military on the basis of a contract.

In addition, the Procedure for compensation to entities, organisations and institutions for mobilised employees applies to the citizens of Ukraine that:

- starting from 18 March 2014 were called to military service during mobilization for the special period;
- starting from 8 February 2015 were accepted for military service under a contract;
- starting from 11 June 2015 were called to military service and also mobilized to military for the special period and are subject to demobilisation, but who continue their military service as military service under a contract.

The provision on compensation being paid for a term that does not exceed one year was cancelled.

Also, it is specified that the compensation of average salary from the state budget is provided to:

- the employees called to military service until termination of the special period or the date of actual demobilisation;
- the employees called to military service due to mobilisation until termination of the special period;
- the employees called to military service during mobilization and subject to demobilisation, but who continue their military services as military service under a contract until termination of such contract.

Reports on actual failures to obtain compensation are certified by the district (city) military commissariat or military unit that performed conscription of employees for military service.

### Antidiscrimination changes in the Labour Code

On 12 November 2015, the Verkhovna Rada of Ukraine adopted the Law on changes to the Labour Code of Ukraine in relation to harmonization of legislation in areas of prevention and combating discrimination with the EU legislation.

In accordance with the changes, any discrimination in labour, in particular breach of the principle of equal rights and opportunities, direct or indirect restriction of rights of employees due to their race, colour of skin, political, religious and other beliefs, sex, gender identity, sexual orientation, ethnic, social and foreign background, age, state of

health, disability, suspected presence of HIV / AIDS, family and property status, family responsibilities, location, membership in trade union or other association of citizens, participation in strike, appeal or intention to appeal to the courts or other authorities to protect their rights or support of other workers in defending their rights, linguistic or other grounds not related to the nature of the work or the context of its performance, shall be prohibited.

The Law became effective on 26 November 2015.

## REAL ESTATE

### Extension of moratorium on sale of agricultural land

On 10 November 2015, the Verkhovna Rada of Ukraine adopted the Law on extension of moratorium on sale of agricultural land until 1 January 2017.

The adopted law stipulates that until the law regulating turnover of agricultural land comes into force, but in any event not earlier than 1 January 2017, sale and purchase of state and communal agricultural land is prohibited.

**Read more on the latest legal developments in Ukraine, including, the [Law on external labour migration](#), [Electronic register of apostilles](#), etc., in the [News Section of our website](#).**

### Contact Persons:

Igor Dykunskyy, LL.M.,  
Partner  
[igor.dykunskyy@DLF.ua](mailto:igor.dykunskyy@DLF.ua)

Andrii Zharikov, LL.M.,  
Associate  
[andrii.zharikov@DLF.ua](mailto:andrii.zharikov@DLF.ua)

This newsletter is intended to provide a brief overview of current changes to the Ukrainian legislation and should not be viewed as legal advice. For more details or if you would like a specific advice, please, e-mail the named contact persons or use our contact form.

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## DLF attorneys-at-law

Torus Business Centre | 17d Hlybochytska Street | 04050 Kyiv, Ukraine | [www.DLF.ua](http://www.DLF.ua) | [info@DLF.ua](mailto:info@DLF.ua)  
T +380 44 384 24 54 | F +380 44 384 24 55