

Consequences of failure to perform normative monetary evaluation of land

On 11 May 2016, the Supreme Court of Ukraine at its joint meeting of civil and criminal chambers decided the matter on invalidation and cancellation of resolution of the district state administration and invalidation of the land lease agreement.

Thus, the Supreme Court established that upon execution of the land lease agreement the normative monetary evaluation of land, which serves as the basis for determination of rent for state and municipal land, was conducted with violations of the current requirements and procedure, which resulted in failure of the lease agreement to comply with the requirements of the effective legislation.

Therefore, a legal position was adopted by the court under which the obligation to pay rent is mandatory and established by legislation and, consequently, cannot be specified, deviated or terminated upon the parties' decision.

The Supreme Court also stated that failure to conduct or violations in performing of normative monetary evaluation of state and municipal land upon execution of land lease agreements served as the basis for invalidation of such agreements.