Decree of the President of Ukraine


In order to create favourable conditions for acceleration of process of privatization of property in agroindustrial sector, and at the same time to protect agricultural manufacturers, and in accordance with Item 7-4 Article 114-5 of the Constitution of Ukraine (888-09) I announce:

1. To establish that privatization of property in agroindustrial sector is carried out in conformity with the Decree of the Cabinet of Ministers of Ukraine of May 17, 1993 #51 (51-93) "On Peculiarities of Privatization of property in agroindustrial sector", with other legislative acts on privatization and according to the procedures established in this Decree.

Privatization covers the property, which is in federal and municipal ownership of state enterprises, which produce agricultural products, develop and distribute them, perform works and render services to agricultural goods manufacturers.

2. To establish that privatization of property of state processing enterprises in wood industry independent on their value (but not less than the amount necessary for creating of statutory fund of joint stock venture according to the legislation) is carried out by transforming them to the public joint stock ventures in accordance with the procedures established in the Resolution of the Cabinet of Ministers of Ukraine of December 7, 1992 #686 (686-92-n) "On Approving of the Procedures of Transforming of State Enterprises into Public Joint Stock Ventures".

In the process of privatization of property in agroindustrial sector, provided for in the Article 1, Decree of the Cabinet of Ministers of Ukraine of May 17, 1993 #51 (51-93) and in this Decree, it is necessary to stick to the technological indivisibility of production and integrity of property complexes.

3. To establish that members of stuff of the enterprises privatized and members of stuff of agricultural manufacturers and persons equal to them, and also non-state agricultural enterprises (collective agricultural enterprises, kolkhozes, cooperative unions, etc.) have the preferential right of purchasing not less than 51% of the shares.

4. To advise to the enterprises mentioned in the Article 1, Decree of the Cabinet of Ministers of May 17, 1993 #51 and in the Article 2 of this Decree and established on the buy-out of the state property to sell some of their own shares to agricultural manufacturers, which are suppliers of materials and customers.

5. To establish that privatization of property of sovkhozes and other state agricultural enterprises and agencies can be carried out by transforming them into collective agricultural enterprises (Article 2, Decree of the Cabinet of Ministers of Ukraine of May 17, 1993 #51) as well as into public joint stock ventures (according to the decisions of groups of purchasers, founded by the stuff).

If in the process of privatization of property of sovkhozes or other state agricultural enterprises some share of the property is not sold it is allowed for the members of stuff to purchase this property on their own for pay-outs during 3-5 years.

In case when in the process of privatization (by the free transfer of property or preferential sale for privatization certificates to members of stuff or persons equal to them, and to members of stuff for purchase on their own for pay-outs during 3-5 years) it is not guaranteed that all the property will be sold out during
six months after it was sold for privatization certificates, then it is privatized by transforming enterprises into public joint stock ventures.

6. To establish that privatization of property of sovkhoses and other state agricultural enterprises, which were created on the basis of kolkhoses and founded by them joint agricultural enterprises, and without state buy-outs of their equipment, and which have not received state subsidies for purchasing of fixed assets and for construction for the whole period of their activities, is carried out by free transfer of it to the corresponding stuff groups. In case when state subsidies were used for the purposes mentioned the share of state property created on them is to be privatized according to the Decree of the Cabinet of Ministers of Ukraine of May 17, 1993 #51 (51-93) and to this Decree.

7. To establish that in the process of privatization of property of sovkhoses-technical schools the property which is the material base for education remains in state ownership. And at the same time they remain as integral educational and production facilities.

8. To establish that when privatization of property of sovkhoses and other state agricultural enterprises and enterprises mentioned in the Article 1 of Decree of the Cabinet of Ministers of Ukraine of 17 May 1993 #51 and Article 2 of this Decree is carried out the public buildings, engineering installations and buildings for public utilities, including the ones financed by the funds of social development are transferred into the municipal ownership to local authorities and are financed according to the legislation.

9. To establish that privatization of property of sovkhoses and other state agricultural enterprises located in the territory of guaranteed voluntary removing resulted by the Chernobyl NPP accident is carried out free of charge and all the property is transferred to the stuff groups of this enterprises.

10. Objects of unfinished construction in agroindustrial sector which were not purchased according to the privatization legislation can be transferred to the agricultural goods producers (including non-state) which have to finish the construction and then acquire the right to purchase share of these objects.

11. The Cabinet of Ministers shall for one month:

- approve the corresponding acts in fulfillment of this Decree;

- pass to the Supreme Rada of Ukraine the draft-law on making modifications and changes to the corresponding legislation acts on privatization.

12. This Decree enters in force of the day of its signing.

President of Ukraine L. Kuchma
Kiev, January 19, 1995, #66/95