



LAW OF UKRAINE

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On Industrial Parks

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This Law shall specify legal and organizational framework for creation and functioning of the industrial parks in the territory of Ukraine with the aim of providing economic development and increasing competitiveness of the territories, boosting of investment activities, creation of new jobs, development of modern production and market infrastructure.

Section I GENERAL PROVISIONS

Article 1. Terms and Definitions

1. The terms used in this Law shall have the following meanings:

1) selection of territories for the industrial park means a set of organizational, legal, planning and other activities of the initiator of the industrial parks creation on search, buyout, allocation and siting in the locality of a land parcel free from construction or with constructions assigned for creation of the industrial park;

2) economic activities within the industrial park means economic activities of the participants, a management company and an initiator of the industrial park creation on conditions of the agreements on creation and functioning of the industrial parks and/or on economic activities within the boundaries of the industrial parks;

3) industrial (production) park (hereinafter referred to as 'industrial park') means a territory identified by the initiator of the industrial park creation according to the town-planning documents and equipped with the appropriate infrastructure where the participants of the industrial park may perform their economic activities in the sphere of processing industry, research activities, activities in the sphere of information and telecommunication on the conditions specified by this Law and the agreement on economic activities within the boundaries of the industrial park;

4) initiator of the industrial park creation (hereinafter referred to as 'initiator') means the public authorities, the local government bodies, which in compliance with the Constitution of Ukraine shall enjoy the rights of the land owner on behalf of the Ukrainian people and which according to the law shall be vested with the authority to dispose of land, as well as a legal or a physical person - the owner or the lease holder of the land parcel, which may be used and proposed by him for creation of the industrial park;

5) management company of the industrial park (hereinafter referred to as 'management company') means a legal person irrespective of its organizational form created according to the laws of Ukraine and selected in compliance with this Law, with which the initiator concluded an agreement on creation and functioning of the industrial park;

6) infrastructure development of the industrial park means implementation of a set of measures and services on preparation of the land plots, designing, construction, reconstruction, refurbishment and arrangement of the objects of engineering and transport infrastructure and other objects by the management company and/or the creation initiator according to the conditions of the Agreement on creation and functioning of the industrial parks and the Law of Ukraine On Regulation of Town-Planning Activities with the aim of creating appropriate conditions for performing economic activities;

6¹) cross-border industrial park means created industrial park which operates under international treaties of Ukraine concluded between governments or their authorized initiators of creation. Procedure for creation and operation of industrial parks is regulated by international treaties of Ukraine;

7) authorized state power body means the central executive power body on providing implementation of the state policy in the sphere of investment activities;

8) participant of the industrial park (hereinafter referred to as 'participant') means an economic entity of any form of ownership registered at the administrative territory of Ukraine where the industrial park is created, who legally acquired the right for the land parcel and / or other object (or part of it) of immovable property within the industrial parks and concluded with the management company the agreement on economic activities within the boundaries of the industrial park in compliance with its concept.

Article 2. Legislation about the Industrial Parks

1. The Constitution of Ukraine, the Civil Code of Ukraine, the Commercial Code of Ukraine, the Land Code of Ukraine, the Tax Code of Ukraine, the Customs Code of Ukraine, this Law, the Law of Ukraine On Regulation of Town-Planning Activities and other legislative acts of Ukraine and international agreements of Ukraine recognized by the Parliament of Ukraine as mandatory shall comprise the legal framework for creation and functioning of the industrial parks.

2. If the international agreements of Ukraine recognized by the Parliament of Ukraine as mandatory specify rules differing from the ones specified by this Law the rules of the international agreements shall take precedence.

Article 3. Scope of the Law

1. This Law shall be applicable for the relations arising in connection with creation, functioning and liquidation of the industrial parks on the basis of using the land parcels, natural resources, property units and integral property complexes by the participants for implementing their economic activities.

2. This Law shall not be applicable for the activities of economic entities which do not meet the requirements of this Law.

Article 4. Fundamentals for Creation and Functioning of the Industrial Parks

1. Creation and functioning of the industrial parks in the territory of Ukraine shall be based on the following fundamentals:

- 1) free access to the information on the opportunities for creation of the industrial parks;
- 2) competitiveness in selection of the management company on the lands of the state and communal ownership;
- 3) securing the rights for the land parcels within the boundaries of the industrial park;
- 4) state support for creation of the industrial parks;
- 5) state incentives for attracting investments to the industrial parks.

2. Functional purpose of the industrial park shall be specified by the concept of the relevant industrial park.

3. Specifics of the legal regulation depending on the functional purpose of the industrial park and relevant obligations of the creation initiator and the management company of the industrial park shall be stipulated by the agreement on creation and functioning of the industrial park.

Section II

RIGHT FOR CREATION OF THE INDUSTRIAL PARKS

Article 5. Right for Creation of the Industrial Parks on the Lands of the State and Communal Ownership

1. . The public authorities, the local government bodies, which in compliance with the Constitution of Ukraine enjoy the rights of the land owner on behalf of the Ukrainian people and which according to the law shall be vested with the authority to dispose of land as well as lease holders of the land parcels who meet the requirements of this Law for using these land plots for the industrial park shall have the right for creation of the industrial parks.

Article 6. Right for Creation of the Industrial Parks on the Private Lands

1. Owners or lease holders of the land parcels who meet the requirements of this Law for using these land plots for the industrial park shall have the right for creation of the industrial parks in the private lands.

Article 7. Specifics for Creation of the Industrial Parks on the Leased Lands

1. The industrial parks may be created on the leased lands by the initiative of the lease holders after introduction of appropriate amendments to the land lease agreement and making a decision on approval of the concept of the industrial park by the lease holder.

Section III

SELECTION, USE AND CONSTRUCTION OF PRODUCTION FACILITIES OF THE INDUSTRIAL PARKS

Article 8. Requirements to the Land Parcel within the Boundaries of the Industrial Park

1. The land parcel planned to be used for creation and functioning of the industrial park may be located either within or outside the boundaries of the settlements and meet the following requirements:

- 1) should belong to the industrial lands;
- 2) be suitable for industrial use regarding conditions and restrictions specified in the town-planning documents;
- 3) area of the land parcel or a total area of a cluster of the adjacent land parcels shall be at least 15 ha and not more than 700 ha.

Article 9. Conditions for Using the Land Parcel within the Industrial Park

1. The land parcels within the industrial park in the state and communal lands shall be used with observance of the following conditions:

- 1) a period of using the land parcels within the industrial park should be at least 30 years from the day of decision made for creation of the industrial park;
- 2) use of the land parcels within the industrial park should meet sanitary-epidemiological and ecological requirements.

Article 10. Selection of the territory for the industrial park

1. The state power bodies and local government bodies shall select the territory for the industrial park in the state and communal lands regarding requirements of this Law.

2. Selection of the territory for creation the industrial park in the state and communal lands shall be funded from the state or local budget as well as from attracted investments, private investors and from other sources not forbidden by the law.

Article 11. Legal Forms and Procedure for Using Land Parcels within the Boundaries of the Industrial Parks

1. The participants may use the land parcels within the boundaries of the industrial park in the legal forms specified by the Land Code of Ukraine.

2. The management company that acquired the right for the land lease of the land for creation of the industrial park as specified by the law shall provide these land parcels for ownership or sub-lease to the participants with the right of their development according to the land legislation of Ukraine.

3. If two or more potential participants claim for one and the same land parcel, the management company shall organize a tender for selection of the participants regarding the concept of the industrial park.

4. The land parcel within the boundaries of the industrial park from the state or communal lands free from construction shall be provided to the management company on conditions of the land lease as specified by the law.

5. If the industrial park is created on the private lands, the rights for using these land parcels may be provided to the participants and / or the management company of the industrial park by the initiators of its creation in the forms and by the procedures specified by the law.

6. If the land lease holder acts as the initiator of the industrial park creation, the relevant land parcel or its part shall be provided to sub-lease directly to the participants according to the laws of Ukraine without prior consent of the lessor, unless it is contrary to the lease of such land.

7. The land parcels within the boundaries of the industrial shall be provided to the participants for construction and servicing of the real estate objects necessary for economic activities.

8. Money received from sale of the state and communal land parcels in the territory of the industrial park shall be deposited to the relevant budgets as specified by the Budget Code of Ukraine and the Budget Law of Ukraine for the corresponding year.

Article 12. Sources for Funding Infrastructure Development of the Industrial Park

1. Means of the state and local budgets allocated as appropriate in the amounts specified by the legislation, cash of private investors including the public-private partnership financial facilities, attracted cash including bank credits and means of other financial organizations, monies from other sources not forbidden by the law may be the sources for construction of production facilities of the industrial park.

Section IV

PROCEDURE AND CONDITIONS FOR CREATION OF THE INDUSTRIAL PARKS

Article 13. Initiators of Creation of the Industrial Parks

1. The state power bodies, the local government authorities, legal or physical persons who have the right for creation of the industrial parks in the state and communal lands according to this Law may be the initiators of creation of the industrial parks.

Article 14. Creation of the Industrial Park and its Inclusion to the Register of Industrial Parks

1. The initiator of creation of the industrial park shall make a decision on its creation on the basis of the industrial park concept approved in compliance with this Law.

2. The initiator during three calendar days from the day of making decision on creation of the industrial park shall be entitled to submit a copy of the decision on creation of the industrial park and the industrial park concept to the authorized power body.

3. Information of the created industrial parks shall be public with access provided by the authorized power body on its official website.

4. The decision on creation of the industrial park shall be the ground for concluding an agreement on creation and functioning of the industrial park between the initiator and the management company.

5. In order to provide the state support specified by the Law the authorized power body shall create, maintain and host on its official website the Register of Industrial Parks to where the industrial parks shall be included upon application of the initiators. The industrial park may be included to the Register of Industrial Parks on conditions that there is no integral property complex allowing production within the boundaries of the industrial park.

Intellectual property rights to the Register of Industrial Parks (database) belongs to the state in the face of state authority. State, public authorities and their officials are using the Register of industrial parks (databases) at no charge. Property rights to computer programs and databases for the Register of industrial parks are subject to the requirements of Article 18 of the Law of Ukraine "On Administrative Services".

6. The state support shall be provided to the initiators, management companies and participants of the industrial parks included in the Register of Industrial Parks.

Article 15. List of Documents Required for Inclusion of the Industrial Park to the Register of Industrial Parks

1. For making a decision on inclusion of the industrial park to the Register of Industrial Parks the initiator of creation of the industrial park shall submit the following documents to the authorized power body:

- 1) an application on inclusion of the industrial park to the Register of Industrial Parks;
- 2) a decision of the initiator on creation of the industrial park;
- 3) a concept of the industrial park;
- 4) an extract from the State Land Cadastre on the land parcel and the title certificates for the real property objects located on it;
- 5) a name of the management company and participants (if available).

Article 16. Decision on Inclusion of the Industrial Park to the Register of Industrial Parks

1. The authorized state power body shall consider the application and the supporting documents submitted by the initiator during 30 calendar days from the date of their submission. As a result of such consideration the authorized state power body shall make a decision on inclusion or refusal to include the industrial park to the Register of Industrial Parks with appropriate justification.

2. A decision on refusal to include the industrial park to the Register of Industrial Parks shall not restrict the opportunity for the repeated application of the initiators of creation of the industrial parks to the Register of Industrial Parks.

3. The Cabinet of Ministers of Ukraine shall specify the procedure for making a decision on inclusion of the industrial park to the Register of Industrial Parks. When making a decision the following criteria are taking into account:

- 1) the availability of human resources needed for the development of the industrial park in accordance with the concept;
- 2) the availability and / or ability to attract by initiator financial and logistical resources needed for the development of the industrial park in accordance with the concept;
- 3) support of industrial park by the local authorities and local executive bodies;
- 4) the expected results of operation of the industrial park in accordance with the concept to attract investment, create new jobs, exports, attracting small and medium enterprises;
- 5) presence of signed memoranda of intent and / or contracts with potential participants of the industrial park.

4. The decision on inclusion of the industrial park to the Register of Industrial Parks shall indicate the following:

- 1) a name of the industrial park;
- 2) an initiator of the industrial park creation;
- 3) a period for which the industrial park is created;
- 4) a location, an area and cadastre numbers of the land parcels on which the industrial parks is created.

5. The authorized state power body shall during three working days from making a decision on inclusion of the industrial park to the Register of Industrial Parks notify in writing the central state power body which realize tax and customs policy and relevant local state administrations on the initiator, management company and participants of the industrial park in question.

Article 17. The Industrial Park Concept

1. The initiator of creation of the industrial park shall develop and approve the concept of the industrial park indicating the following:

- 1) a name of the industrial park;
- 2) an initiator of the industrial park creation;
- 3) aim and task of creation of the industrial park and its functional purpose;
- 4) location and area of the land parcel;
- 5) period for which the industrial park is created;
- 6) requirements to the participants of the industrial park;
- 7) estimate total level of consumption of the power resources, water etc, and necessary transport infrastructure and ensure plan for appropriate resources of the industrial park;
- 8) a plan of the industrial park development;
- 9) estimate resources (financial, material, technical, labor, natural etc.), necessary for creation and functioning of the industrial park, anticipated sources of their obtaining;
- 10) an organizational model of the industrial park functioning;
- 11) expected results of the industrial park functioning;
- 12) other information as the initiator chooses to submit.

2. The initiator of the creation shall approved the concept of the industrial park by making a relevant decision.

3. Business entities in the field of water supply and sanitation, electricity and natural gas market are required to provide the necessary information on the availability of resources to create an industrial park on request of initiator of creation according to the law and to give technical conditions to join the network (objects) of electricity power if the initiator has the information of necessary energy for operation of the industrial park, according to the law. Specifications are an essential complement to the treaty of accession to power grids.

4. Joining and connection to power grids, gas, water supply, heat supply networks (heating) and networks is established by the law.

Article 18. Selection of the Management Company of the Industrial Park

1. The initiator shall select the management company of the industrial park on the state or communal land on the competitive basis by organizing a tender as specified by this Law.

2. The initiator shall independently select the management company of the industrial park if it is created on the private land.

3. If the initiator is the lessee of the land parcel, he shall select the management company independently by notification of the lessor no later than three working days if it is not contradict the lease contract of such land.

Article 19. Organizing and Conducting the Tender on Selection of the Management Company for the Industrial Park

1. The initiator shall organize and conduct the open tender for selection of the management company.
2. The initiator of the industrial park creation shall:
 - 1) approve the conditions for the tender for selection of the management company;
 - 2) approve the tender commission, its composition and operating procedures;
 - 3) prepare the tender documents;
 - 4) announce the open tender in the mass media;
 - 5) specify procedure for paying the registration fee whose size may not exceed one thousand of tax-free minimal incomes of the citizens;
 - 6) confirm the receipt of the application for participation in the tender in writing;
 - 7) provide the bidders with all necessary information (documents) for preparation of the bidding proposals for tender;
 - 8) make a decision on admission (non-admission) of the bidders to participate in the tender with explanation of the reasons for refusal; 8
 - 9) notify the bidders on admission (non- admission) to participate in the tender.

Failure to submit the required information with the application to participate in the tender, submission of the incomplete or misleading information may the reasons for refusal to participate in the tender for selection of the management company.

3. Information of announcement of the tender for selection of the management company shall contain information on the following:

- 1) subject, which the initiator of the industrial park creation;
- 2) the concept of the industrial park;
- 3) conditions of the tender approved by the ymov initiator of the industrial park creation;
- 4) land parcels reserved for creation of the industrial park;
- 5) objects located on the land parcel (list, characteristics etc.);
- 6) period for which the industrial park is created;
- 7) the body providing additional information;
- 8) a size of the registration fee.

The registration fee shall be paid by transferring money to the bank account of the initiator of the industrial park creation and used for organization and preparation of the tender event.

Upon request of the bidder the initiator of the industrial park creation shall provide the necessary additional information on the concept of the industrial park, the land parcel and the objects located on it.

4. The bids for participation in the tender shall be submitted during 30 days from its announcement.

The application for participation in the tender shall contain:

- 1) full mane of the bidder and his location;
- 2) a business-plan of the industrial park;
- 3) information that confirm capacity of the bidder to provide appropriate functioning of the industrial park, history of experience and information about technological and organizational capacity to provide such activity;
- 4) other data specified by the conditions of the tender.

5. Bids, documents and materials submitted by the bidders shall be submitted during 30 days from the last day specified by submission of the bids.

The tender commission shall consider the bids submitted by the bidders admitted for participation, documents and materials with proposals on conditions for creation of the industrial park, determine their compliance with the conditions of the tender and prepare conclusions on identifying better conditions for creation and functioning of the industrial parks.

6. The initiator of the industrial park creation shall not consider the bids submitted after expiry of the submission period.

7. The bidder that proposes the best conditions for creation and functioning of the industrial park shall be recognized as the winner of the tender according to its conditions.

8. If there is only one bid submitted for the tender, the bidder may be recognized the winner provided that the conditions of the tender specified by the initiator are met while the tender shall be deemed conducted.

9. The initiator shall make a decision on the winner during ten days from the last day specified by consideration of the bids.

10. Notification about the winner of the tender shall be sent to the winner not later than during five days from the day of the decision.

11. The initiator of creation of the industrial park shall conclude an agreement with the tender winner on creation and functioning of the industrial park after negotiation of all conditions of the agreement but not later than during 10 days from the winner announcement.

Article 20. Confidentiality of the Bids

1. Information contained in the bids submitted to the tender on selection of the management company for creation and functioning of the industrial park shall be confidential and not subject to disclosure to the third persons and other bidders.

2. The results of the bidders assessment shall not be disclosed before conclusion of the agreement on creation and functioning of the industrial park except the cases specified in the law.

Section V

AGREEMENT ON CREATION AND FUNCTIONING OF THE INDUSTRIAL PARK

Article 21. Conclusion and Period of the Agreement on Creation and Functioning of the Industrial Park

1. The agreement on creation and functioning of the industrial park shall be concluded between the initiator of the industrial park creation and the legal person selected according with this Law and acquiring the status of the management company after signing this agreement.

2. Period of the agreement on creation and functioning of the industrial park shall be established for the period for which the industrial park is created.

3. Period of the agreement may be changed upon consent of the parties within the period for which the industrial park is created. After expiry of the agreement validity the period of the agreement may be extended for the period specified by the parties.

4. A form of the standard agreement on creation and functioning of the industrial park shall be approved by the authorized state power body.

Article 22. Essential Conditions of the Agreement on Creation and Functioning of the Industrial Park

1. Essential conditions of the agreement on creation and functioning of the industrial park shall be as follows:

- 1) the subject of the agreement;
- 2) the period of the agreement;
- 3) cadastre numbers, location and size of the land parcels for creation of the industrial park;
- 4) terms and conditions for infrastructure development of the industrial park;
- 5) terms and conditions for research activities in the industrial park;
- 6) terms and conditions for attracting participants;
- 7) terms and conditions for providing rights for the participants on land parcels and real property objects within the industrial park;
- 8) terms and conditions for providing services and rights to use the engineering and transport infrastructure;
- 9) terms and conditions for insuring the assets of the initiator received for use by the management company;
- 10) legal regulation of the property created by the management company within the industrial park as well as the property owned by the initiator and transferred for use;
- 11) composition and procedure for providing report by the management company to the initiator and the authorized state power body;
- 12) procedure for entering into force for this agreement from the day of its signing.

2. Amendments to the agreement on creation and functioning of the industrial park shall be introduced upon mutual consent of the parties.

3. Reorganization of the management company, a legal person, shall not be the ground for dissolution of the agreement on creation and functioning of the industrial park.

4. The following documents shall comprise an inseparable part of the agreement:

- 1) a decision on creation of the industrial park;
- 2) a concept of the industrial park;
- 3) a business plan of the industrial park.

Article 23. Termination of the agreement on creation and functioning of the industrial park

1. The agreement on creation and functioning of the industrial park shall be terminated in the event of expiry of the agreement validity period if the parties fail to arrange its continuation for the period for which the industrial park is created.

2. The agreement on creation and functioning of the industrial park may be terminated preterm upon the following events:

- 1) essential violation of its agreement obligations by one of the parties;
- 2) liquidation of the management company by the decision of the court including the bankruptcy case.

3. In case of termination of the agreement on creation and functioning of the industrial park the management company shall be entitled to return to the initiator the land parcels not alienated for the participants as well as the objects of title on the conditions specified in the agreement. If the management company damaged the land parcels of the initiator, deteriorated or destroyed the objects of the engineering and transport infrastructure or other property of the initiator located within the industrial park, the management company shall reimburse the losses if there is a proof that the losses were inflicted as a result of action or inaction of this company.

4. In case of termination of the agreement on creation and functioning of the industrial park within the period for which the industrial park is created, the initiator shall select the management company according to this Law.

5. In case of preterm termination of the agreement on creation and functioning of the industrial park after signing the new agreement the management company shall be obliged during five working days to sign agreements on economic activities within the industrial park with all participants on the conditions that do not deteriorate their standing in comparison with the previous agreements.

6. In the period between the day of termination of the agreement on creation and functioning of the industrial park and the day of signing agreements on economic activities within the industrial park between the management company and the participants the status of the industrial parks participants shall remain without changes.

Article 24. Acquiring and Loss of the Status of Management Company of the Industrial Park

1. The legal person shall acquire the status of the management company from the day of signing the agreement on creation and functioning of the industrial park. The initiator of the industrial park creation shall during three working days notify in writing the authorized state power body on the legal person acquiring a status of the management company. If the industrial park is included into the Register of Industrial Parks, the authorized state power body shall during three working days notify in writing the central state power body in the sphere of realization tax and customs policy and relevant local state administrations on the legal person acquiring a status of the management company.

2. The legal person shall lose the status of the management company from the day of termination of the agreement on creation and functioning of the industrial park. The initiator of the industrial park creation shall on the same day notify the central state power body on the loss of the status of the management company by the legal person. If the industrial park is included into the Register of Industrial Parks, the authorized state power body shall on the same day notify the central state power body in the sphere of realization tax and customs policy and relevant local state administrations on the loss of the status of the management company by the legal person.

Section VI

MAIN RIGHTS AND OBLIGATIONS OF THE INITIATOR AND THE MANAGEMENT COMPANY. FUNCTIONS OF THE AUTHORIZED STATE POWER BODY

Article 25. Rights and obligations of the initiator of the industrial park creation

1. The initiator shall have the right to:

- 1) control observance of the terms and conditions of the concluded agreements by the management company;
- 2) provide the management company with the right for infrastructure development of the industrial park and/or management (operation) of the objects located within the boundaries of the industrial park;
- 3) demand from the management company to stick to the industrial park concept and meet the conditions of the agreements concluded with the initiators of the industrial park creation;
- 4) receive from the management company on the quarterly basis reports on functioning of the industrial park;
- 5) demand from the management company to remove violations taken place during operation of the industrial park;
- 6) demand from the management company to reimburse the losses in the case of deterioration of the objects or damage of the land parcel resulted from the action or inaction of the management company;
- 7) buyout the property of the management company within the boundaries of the industrial park, in the event of preterm dissolution of the agreement on creation and functioning of the industrial park as a matter of priority;
- 8) upon request of the management company take measures for extending the boundaries of the industrial park if there is no place for location of new participants within the available territory;
- 9) transfer to the management company or the participants in the lease (sublease) objects (part of objects) of immovable property within the industrial park.

2. The initiator of the industrial park creation shall be obliged to:

- 1) provide necessary arrangements in the territory of the industrial park according to the conditions of the agreement on creation and functioning of the industrial park;
 - 2) provide the management company and/or the participants with the right for the land parcels, the available objects of the engineering and transport infrastructure and other objects located within the boundaries of the industrial park;
 - 3) keep the commercial secret of the management company;
 - 4) not interfere in the economic activities of the management company and the participants;
 - 5) consider proposals of the management company on permitting essential improvements of the property transferred to the management company;
 - 6) control observance of the industrial park concept;
 - 7) if the management company is not in place, submit reports on the results of the industrial park functioning to the authorized state power body;
 - 8) when concluding the agreement on creation and functioning of the industrial park specify in its conditions an opportunity for the employees citizens of Ukraine including those dismissed from the state or communal enterprise due to its liquidation with subsequent transfer of its property to the use of the management company to take part in the activities related to creation and functioning of the industrial park.
3. The initiator of the industrial park creation shall have also other rights and obligations specified by the agreement on creation and functioning of the industrial park and the effective legislation.

Article 26. Rights and Obligations of the Management Company of the Industrial Park

1. The management company shall have the right to:
 - 1) perform economic activities in compliance with the law and due regard of the specifics of this Law;
 - 2) regarding the requirements of the land legislation sublease the leased land parcel or its part within the boundaries of the industrial park to the participants with the right to perform construction works;
 - 2¹) transfer to the participants in the lease (sublease) objects (part of objects) of immovable property within the industrial park according to the law;
 - 3) create condition for switching (linking) the participants to the engineering networks and communications;
 - 4) demand dissolution of the agreement if the initiator violates its terms and conditions with subsequent reimbursement of the losses resulted from such violation;
 - 5) for continuation of the validity period of the agreement in case of fulfillment of its conditions;
 - 6) for receiving payment for the produced commodities (goods, services) according to the conditions of the agreement;
 - 7) contract the third persons to perform works and provide services within the boundaries of the industrial park;

8) receive every quarter the reports on implementation of the agreement conditions from the participants unless otherwise is provided by the agreement;

9) initiate consideration of the issue on extension of the industrial park boundaries if it is impossible to locate new participants within the existing boundaries;

10) independently or on behalf of participants to get permits and approval from executive authorities, local governments, including the implementation of the construction of production facilities and other facilities required for economic activities within the industrial park, to represent the interests of participants in relations with public authorities, enterprises, institutions and organizations.

2. The management company shall be obliged to:

1) meet the conditions of the agreement on creation and functioning of the industrial park;

2) provide necessary arrangements in the territory of the industrial park according to the conditions of the agreement on creation and functioning of the industrial park;

3) provide implementation of the industrial park business plan;

4) attract participants of the business park and conclude the required contracts with them;

5) on instruction of initiator of creation, participants to obtain permits and approvals in state power bodies, local government bodies including for building production facilities and other facilities required for economic activities within the boundaries of the industrial park, to represent the interests of the participants in dealing with the authorization state bodies, agencies, enterprises, institutions and organizations;

6) apply for essential improvements of the property transferred by the initiator for use to the management company;

7) keep in the appropriate condition the land parcel, the engineering and transport infrastructure and other objects located within the industrial park and transferred according to the relevant agreements, provide appropriate conditions for their use;

8) after expiry of the agreement validity period transfer the land parcel along with the infrastructure objects located on it to the initiator of the industrial park creation unless otherwise is provided by the agreement;

9) submit every quarter the reports on the functioning of the industrial park to the initiators of the industrial park creation and the authorized state power body;

10) keep commercial secret of the initiator of industrial park creation.

3. The management company shall have also other rights and obligations specified by the agreement on creation and functioning of the industrial park and the effective legislation.

Article 27. Functions of the Authorized State Power Bodies

1. The authorized state power body shall:

1) on a quarterly basis receive from the management company the results of functioning of the industrial park;

2) apply to the state power bodies, agencies, enterprises, institutions and organizations on the issues related to creation and functioning of the industrial parks;

3) provide favorable conditions for creation and functioning of the industrial parks;

4) maintain the Register of the Industrial Parks;

5) perform monitoring of the industrial park functioning;

6) provide information and consultation support for the initiators and management companies of the industrial parks and facilitate attraction of other participants in various ways;

7) provide access to the public information related to the activity of the industrial park;

8) inform the central body of executive power in the sphere of realization tax and customs policy and relevant local state administrations on the initiators of the industrial park creation, the management companies and the participants of the industrial park in the cases specified by this Law;

9) provide the management companies and the initiators of the industrial park creation – economic entities with interest-free credits (loans), non-repayable target financing from the funds specified by the State Budget of Ukraine for a certain year for infrastructure development of the industrial parks.

2. The authorized state power body shall perform other functions specified by the law.

3. The central body of the executive power in the sphere of investment activities shall formulate the state policy on creation and functioning of the industrial parks.

4. The realization of the state policy on creation and functioning of the industrial parks is done by authorized state power body.

Section VII
ECONOMIC ACTIVITIES WITHIN THE BOUNDARIES OF THE INDUSTRIAL PARKS

Article 28. Conditions for Economic Activities within the Boundaries of the Industrial Park

1. The initiator, the management company and the participants shall perform their economic activities according to the Civil Code of Ukraine, the Commercial Code of Ukraine, the Tax Code of Ukraine, the Land Code of Ukraine, other legislative acts and provisions of this Law, the industrial park concept approved by the initiator, the agreement on creation and functioning of the industrial parks and agreement on economic activities within the boundaries of the industrial park.

Article 29. Acquisition of the Status of the Industrial Park Participant

1. The economic entity shall acquire the status of the participant from the moment of:

- 1) concluding an agreement with the management company on economic activities within the boundaries of the industrial park;
- 2) acquisition of the right for the land parcel in accordance to land legislation of Ukraine and / or other object (part of object) of immovable property within the boundaries of the industrial park.

2. The management company during three working days shall be obliged to notify the authorized state power body about acquisition of the participant status by the economic entity and to make a relevant record in the list of participants.

3. If the industrial park is included into the Register of Industrial Parks, the authorized state power body shall be obliged during three working days after receipt of a relevant written notification from the management company to notify in writing the central body of executive power in the sphere of realization tax and customs policy and the relevant local state administrations about acquisition of the participant status by the economic entity.

Article 30. Agreement on Economic Activities within the Boundaries of the Industrial Park

1. The agreement on economic activities within the boundaries of the industrial park shall be concluded between the management company and the economic entity, which has an intention to acquire the status of the industrial park participant.

2. The essential conditions of the agreement on economic activities within the boundaries of the industrial park shall be as follows:

- 1) types of activities, works and services, which are implemented according to agreement on economic activities within the boundaries of the industrial park;
- 2) preferable employment of the citizens of Ukraine;
- 3) conditions, scope and procedure for creation and improvement of the engineering and transport infrastructure objects and other objects in the land parcel of the participant;
- 4) validity period of the agreement;
- 5) investment obligations of the participant;
- 6) financial relations of the parties;
- 7) responsibility of the parties for failure to meet the conditions of the agreement;
- 8) procedure for extension of the agreement on economic activities within the boundaries of the industrial park;
- 9) rights and obligations of the parties;
- 10) procedure for settlement of disputes between the parties.

3. The engineering and transport infrastructure objects and other objects located within the boundaries of the industrial park and granted by the management company in use (management) shall not be conveyed to the property of the participants.

4. The participant shall have no right to transfer the right and/or obligations under the agreement on economic activities within the boundaries of the industrial park to the third persons.

5. The agreement on economic activities within the boundaries of the industrial park shall be terminated upon the expiry of its validity period unless the parties agreed otherwise.

6. The agreement may be terminated ahead of time in case of:

- 1) essential violation of the obligation assumed by a party according to the agreement;
- 2) liquidation of the participant;
- 3) liquidation of the management company.

7. In case of the management company liquidation the status of the participants remains unchanged until signing the agreement on economic activities within the boundaries of the industrial park between a new management company and the participants within the period for which the industrial park is created.

Article 31. Loss of the Industrial Park Participant Status

1. The economic entity shall lose the industrial park participant status from the day of the termination of the agreement on economic activities within the boundaries of the industrial park concluded with the management company or in case of termination of the rights for the land parcel and / or other objects (parts of objects) of immovable property within the boundaries of the industrial park.

The participant status shall be preserved if the participant concludes a new agreement on economic activities within the boundaries of the industrial park in connection with termination of the agreement on creation and functioning of the industrial park or in case of the management company liquidation.

2. The management company shall be obliged during one working day from the loss of the participant status by the economic entity to notify the authorized state power body in writing thereon and to make a relevant record in the list of participants.

3. If the industrial park is included into the Register of Industrial Parks, the authorized state power body shall be obliged during one working day after receipt of a relevant written notification from the management company to notify in writing the central body of executive power in the sphere of realization tax and customs policy and the relevant local state administrations about loss of the participant status by the economic entity.

4. The economic entity that lost its participant status shall perform its economic activities on the general basis including within the boundaries of the industrial park.

5. The loss of the participant status by the economic entity shall not damage its right for acquiring this status in the future.

Article 32. Legal Regulation of the Property of Economic Entities Participants of the Industrial Park

1. The objects of the infrastructure created by the management company within the boundaries of the industrial park shall belong to the management company as its property if the agreement on creation and functioning of the industrial parks does not specify otherwise. These objects shall be used according to the agreement on economic activities within the boundaries of the industrial park concluded between the management company and the participant.

2. In case of alienation of the land parcel for the property of the participant, the infrastructure objects located thereon shall not be conveyed to the property of the participant unless otherwise is specified by the agreement on creation and functioning of the industrial park.

3. In case of termination of the industrial park functioning the legal regulation of the property of the initiator, the management company and the participants of the industrial parks shall be determined according to the requirements of the law and the agreement on creation and functioning of the industrial park.

Article 33. Accounting and Reporting of the Participants Economic Entities within the Boundaries of the Industrial Park

1. The economic entities, which receive the state support according to this Law, shall be obliged to maintain a separate book-keeping and tax accounting of the economic activities within the industrial park.

Section VIII

STATE STIMULATION OF THE INDUSTRIAL PARK

Article 34. State Support for Construction of Production Facilities of the Industrial Parks

1. The state support for construction of production facilities of the industrial parks shall be provided from the state and local budgets as well as from other sources not forbidden by the effective legislation.

2. The authorized state authority, the Council of Ministers of the Autonomous Republic of Crimea, the local state administrations, the executive authorities of relevant local councils shall submit proposals to the State Budget of Ukraine and the draft decisions on financial support of the construction of production facilities of the industrial parks from the relevant local budgets.

3. The initiators (business entities) of the industrial park creation and/or its management companies shall not be entitled to place their shares for development of the settlement infrastructure for construction of objects within the industrial parks.

4. With the aim of providing the state support for creation and functioning of the industrial parks the management companies and the initiators economic entities shall be provided with interest- free credits (loans) and non-repayable target financing for construction of production facilities in the industrial parks.

Article 35. State Support of the Industrial Park Management Companies

1. The management companies shall receive the state support specified by this Law and by other legal acts of Ukraine.

Article 36. State Support of the Industrial Park Participants

1. The participants of the industrial park shall not be involved to place their shares for infrastructure development of the settlements in case of construction of the objects within the boundaries of the industrial park.

Section IX LIQUIDATION OF THE INDUSTRIAL PARKS

Article 37. Grounds for Liquidation of the Industrial Park

1. The industrial park shall be liquidated if:

- 1) the agreement on creation and functioning of the industrial park is not concluded during two years from the day of decision on the industrial park creation except in cases specified by the law;
- 2) the participants fail to perform economic activities within the boundaries of the industrial park during three years.

Article 38. Liquidation Procedure for the Industrial Park

1. The initiators of the industrial park creation shall make a decision on the industrial park liquidation.
2. The industrial park liquidation shall not be the ground for liquidation of the management company or the participants. They may perform their economic activities on the general conditions.
3. Liquidation of the management company of the state or communal property shall be conducted according to the effective legislation.
4. In case of liquidation of the industrial park, the right for the land parcels not alienated for the property of the management company or the participants shall be conveyed to the initiator of the industrial park creation.

Section X FINAL AND TRANSITIONAL PROVISIONS

1. This Law shall become effective in one month after its publication.
2. Make changes to the following legal acts of Ukraine:
 - 1) to the Land Code of Ukraine (Vidomosti Verkhovnoi Rady Ukrainy Paper, 2002, No 3-4, p. 27):
 - a) complement Article 661 with the following:

“Article 661

. Lands of Industrial Parks

 1. The Lands of Industrial Parks shall belong to the Industrial Lands.
 2. The industrial parks shall be created on the land parcels of the area of at least 15 and not more than 700 ha”;
 - b) Article 93 to complement with paragraph nine as follows:

“9. In case of creation of the industrial park on the state or communal lands, the land parcel shall be leased for the period at least 30 years;
 - b) part two of Article 134 after paragraph 23 to complement with a new paragraph as follows:

“leasing the land parcels of the industrial parks to the management companies of these parks”.
 - In this connection paragraph 24 to be considered paragraph 25;
 - 2) in Article 287 of the Customs Code of Ukraine :

After part five to complement with a new part as follows:

“6. After entering the customs territory of Ukraine the following items shall be released from the customs duty:

Devices, equipment, components to them and materials, which are not produced in Ukraine, are not excisable commodities and imported by the initiators, economic entities, management companies of the industrial parks for construction of production facilities in the industrial parks;

Devices, equipment, components to them and materials, which are not produced in Ukraine, are not excisable commodities and imported by the participants of the industrial parks for performing economic activities within the boundaries of the industrial parks.

Lists of such devices, equipment, components to them and materials shall be approved by the central state body of executive power in the sphere of investments activities and national project management as specified by the Cabinet of Ministers of Ukraine.

The released funds should be used by the relevant subjects for:

1) construction of production facilities, including those with the use of advanced energy-saving technologies;

2) implementation of modern technologies related to the economic activities within the boundaries of the industrial parks;

3) increase of the production output and decrease of the expense by the types of economic activities specified by this Law within the boundaries of the industrial parks;

4) implementation of the research activities within the boundaries of the industrial parks;

5) repayment of credits and covering other borrowings used for construction of production facilities for the industrial parks and for implementation of economic activities within the boundaries of the industrial parks as well as payment of interests for such credits and borrowings ".

In this connection, parts six and seven to consider parts seven and eight;

Part seven after the words "in parts one - four" co compliment with the words "and six";

3) part four of Article 40 of the Law of Ukraine "On Regulation of the Town Planning Activities" (Vidomosti Verkhovnoi Rady Ukrainy Paper, 2011, No 34, p. 343) to compliment with item 10 as follows:

"10) objects within the boundaries of the industrial parks upon request of the industrial park initiators, the industrial park management companies and industrial park participants ".

2. The Cabinet of Ministers of Ukraine in three month period after publication of this Law shall:

3. Prepare and submit to the Verkhovna Rada of Ukraine proposals on making amendments to the legal acts related to this Law including the Tax Code of Ukraine on establishing preferences for providing the state support for creation and functioning of the industrial parks; adjust its regulations and bylaws in compliance with this Law; develop and approve the procedure for identification of the list of devices, equipment, components to them and materials, which are not produced in Ukraine.

The President of Ukraine

21 June 2012

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