

LAW OF UKRAINE

On Amendments to the Law of Ukraine "On Production-Sharing Agreements" Concerning the State Regulation of the Conclusion and Performance of the Agreements

The Verkhovna Rada of Ukraine **enacts the following:**

I. To make the following amendments in the Law of Ukraine "On Production-Sharing Agreements" ("Vidomosti Verkhovnoyi Rady Ukrayiny", 1999, N 44, p. 391; 2011, N 6, p. 47; 2012, N 5, p. 31, N 27, p. 275; as amended pursuant to the laws of Ukraine N 5406-VI dated 2 October 2012 and N 5463-VI dated 16 October 2012):

1. In part two of Article 3, to add the words "subject to the provisions of this Law".

2. In Article 5:

1) part one shall read as follows:

"1. The Parties to a production-sharing agreement shall be the investor(s) and the State represented by the Cabinet of Ministers of Ukraine.

The permanent interagency commission (hereinafter -- the "Interagency Commission") shall be established by the Cabinet of Ministers of Ukraine and shall consist of representatives of public authorities, local self-government authorities and the People's Deputies of Ukraine, and shall be authorized to address the matters of organizing the conclusion and performance of production-sharing agreements.

Information, organization, material and other support of the operation of the Interagency Commission shall be provided by a central body of executive power (hereinafter – the working body of the Interagency Commission) to be identified by the Cabinet of Ministers of Ukraine.

The Regulations for the Interagency Commission shall be approved by the Cabinet of Ministers of Ukraine";

2) to add part two which shall read as follows:

"2. Under a production-sharing agreement, the resolution of the matters of management and coordination of the parties' activities can be laid upon a management committee or another management body created with the participation of the parties.

For the purposes of the State's participation in the performance of a concluded production-sharing agreement (including participation in the operation of the created management bodies) the Cabinet of Ministers of Ukraine may assign the required powers to the central body of executive power".

3. In Article 7:

1) in part one:

paragraph one shall read as follows:

"1. A decision concerning a tender for the conclusion of a production-sharing agreement shall be made by the Cabinet of Ministers of Ukraine upon the submission of the Interagency Commission, and shall state the following";

paragraph thirteen shall read as follows:

"the list of the tender documents and the procedure for providing bidders with the documents";

2) in part three, to delete the words "shall draw up and the central executive authority that ensures the development of the State's policy in the area of natural environment protection shall approve the tender documentation" and "and foreign mass media";

3) part eight shall read as follows:

"8. The working body of the Interagency Commission shall register all timely submitted applications on the day of their receipt in compliance with the procedure stipulated by the Cabinet of Ministers of Ukraine";

4) in paragraph two of part nine, to replace the words "the central executive authority that implements the State's policy in the area of geological exploration and rational use of subsoil shall submit proposals to the central executive authority that ensures the development of the State's policy in the area of natural environment protection which" with the words "Interagency Commission".

4. Clause 22 of part two of Article 8 shall read as follows:

"22) the procedure for supervising the performance of the production-sharing agreement; deadlines, forms and content of the reports, information and accounts to be submitted by the investor to the Cabinet of Ministers of Ukraine or central body of executive power authorized by the Cabinet of Ministers of Ukraine".

5. In Article 11:

1) part five shall read as follows:

"5. Upon final approval and completion, a draft production-sharing agreement is initialed (approved) by the investor(s) and is registered again by the working body of the Interagency Commission, whereupon the draft production-sharing agreement is provided to the parties to the agreement for signing";

2) in part six, to replace the words "the central executive authority that ensures the development of the State's policy in the area of natural environment protection" with the words "the working body of the Interagency Commission".

6. In Article 13:

1) in part two, to replace the words "central executive authority that implements the State's policy in the area of geological exploration and rational use of subsoil" with the words "working body of the Interagency Commission";

2) in part three, to delete the words "unless the provisions of the agreement stipulate otherwise".

7. The first sentence in Article 15 shall read as follows:

"The State registration of a concluded production-sharing agreement shall be carried out by the working body of the Interagency Commission according to the procedure established by the same."

8. Paragraph three and the first sentence in paragraph four in part one of Article 28 shall read as follows:

"State control over the performance of a production-sharing agreement shall be carried out by the Cabinet of Ministers of Ukraine or by the central body of executive power authorized by the Cabinet of Ministers of Ukraine in compliance with the procedure and on the conditions stipulated by the agreement and this Law.

At least once every five years the Cabinet of Ministers of Ukraine, with the participation of the authorized central body of executive power shall organize and perform a complex inspection of the observance of the conditions stipulated by a production-sharing agreement".

9. In part three of Article 29, to replace the words "the central executive authority that implements the State's policy in the area of geological exploration and rational use of subsoil" with the word "State".

10. In the text of the Law, to replace the words "the central executive authority that ensures the development of the State's policy in the area of natural environment protection" and "the central executive authority that implements the State's policy in the area of

geological exploration and rational use of subsoil", in all cases, with the words "Interagency Commission", as relevant.

II. Final Provisions

1. This Law shall take effect on the day that follows the day of its publication.

2. The Cabinet of Ministers of Ukraine, within three months, acting according to its competence, shall:

ensure the adoption of the normative-legal acts stipulated by this Law;

bring its normative-legal acts in compliance with this Law.

President of Ukraine
Kyiv
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V. YANUKOVYCH