

The Law of Ukraine

On Licensing of Certain Types of Economic Activity

As amended by the Laws of Ukraine
N 1969-III of September 21, 2000,
N 2120-III of December 7, 2000,
N 2209-III of January 11, 2001,
N 2257-III of February 8, 2001,
N 2344-III of April 5, 2001,
N 2628-III of July 11, 2001,
N 2664-III of July 12, 2001,
N 2745-III of October 4, 2001,
N 2759-III of October 4, 2001,
N 2905-III of December 20, 2001,
N 2953-III of January 17, 2002,
N 2984-III of January 17, 2002,
N 3073-III of March 7, 2002,
N 3077-III of March 7, 2002,
N 380-IV of December 26, 2002,
N 411-IV of December 26, 2002,
N 546-IV of February 20, 2003

(On January 16, 2003, the present law will be amended according to
the Commercial Code of Ukraine N 436-IV of January 16, 2003)

This Law shall specify the types of economic activity subject to licensing, the procedure of their licensing and establish the state control in the sphere of licensing, as well as responsibilities of subjects of economic activity and licensing bodies for violation of legislation in the sphere of licensing.

Article 1. Definition of Terms

Terms in this Law shall be used in the following meaning:

cancellation of the license – deprivation of licensee of a right to conduct a certain type of economic activity;

production (manufacture) – activities, directed at production of goods, which include all stages of manufacturing process, as well as sales of goods of own production;

economic activity- any activity, including entrepreneurial activity, of legal entities and physical persons- subjects of entrepreneurial activity, related to the production (manufacture) of goods, trade, providing services, execution of works;

licensee – a subject of economic activity, obtaining a license for performing certain economic activity subject to licensing;

license – document of a state standard, certifying the licensee's right to conducting economic activity, specified in this document, within the established term under condition of fulfillment of terms of licensing;

terms of licensing – an exhaustive list of organizational, qualification and other special requirements, established with observance of requirements, determined by laws, which are compulsory for execution while conducting economic activities subject to licensing;

licensing – issuing, reissuing and cancellation of licenses, issuing of license duplicates, performing of license files and registers of licenses, as well as supervision of observance of terms of licensing by licensees, issuing of directives on removal of violations of terms of licensing terms and directives to remove violation of legislation in the sphere of licensing;

body of licensing – body of executive power, established by the Cabinet of Ministers of Ukraine or a specially authorized executive body of councils for licensing certain types of economic activity;

license fee – one-off payment, made by a subject of economic activity for obtaining of the license;

repeated violation – repeated violation of certain terms of licensing by a licensee within the validity period of the license after application of sanctions for a similar violation;

directive to remove violations of terms of licensing – decision of a licensing body or a specially authorized licensing body on the necessity to remove violations of terms of licensing by the licensee within the established terms;

directive to remove violations of legislation in the sphere of licensing – decision of a specially authorized licensing body on the necessity to remove violations of legislation in the sphere of licensing by the licensee or a licensing body within the established terms;

subject of economic activity – a legal entity, registered according to the specified procedure, which performs economic activity irrespective of its organizational-and-legal form and form of ownership, except bodies of state power and bodies of local government, as well as physical person – subject of entrepreneurial activity;

trade – any transactions, carried out according to the agreements on sales and purchase, barter, delivery and other civil-and-legal agreements, providing for the transference of right of ownership to products;

Article 2. Incidence of this Law

Force of this Law shall extend to all subjects of economic activity.

Licensing of banking activity, activities related to providing finance service, foreign-economic activity, licensing of broadcasting channels, licensing in the field of electric power industry and utilization of nuclear power, licensing in the spheres of education, intellectual property, production and sale of ethyl spirit, cognac and fruit alcohol drinks and tobacco goods shall be performed according to the laws which regulate relationships in these spheres.

(part two of Article 2 is as amended by the Laws of Ukraine
N 2209-III, January 11, 2001,
N 2664-III, July 12, 2001,
N 2984-III, January 17, 2002)

Those types of economic activity, which are not included into the list of economic activities, established by Article 9 of this Law, are not subject to licensing, except cases, envisaged by part two of this Article.

Article 3. Basic Principles of State Policy in the Sphere of Licensing

Basic principles of the state policy in the sphere of licensing are:

ensuring equality in rights and legal interests for all subjects of economic activity;

protection of rights and legal interests, life and health of citizens, protection of environment and securing safety of citizens;

establishment of a single procedure of licensing of economic activities subject to licensing at the territory of Ukraine;

establishment of a single list of economic activities subject to licensing.

Licensing may not be used for the restriction of competition in performing economic activity.

The license is a single permissive document of optional character, authorizing conducting certain types of economic activity subject to restrictions according to the legislation.

Article 4. Authorities of Bodies of State Power in the Sphere of Licensing

The Verkhovna Rada of Ukraine shall determine the basic directions of state policy in the area of licensing and legislative foundations of its implementation.

The Cabinet of Ministers of Ukraine, a specially authorized licensing body, as well as bodies of executive power, established by the Cabinet of Ministers of Ukraine, specially authorized executive bodies of councils, authorized to

execute licensing of certain types of economic activity, shall fulfill implementation of state policy in the sphere of licensing.

Article 5. A Specially Authorized Licensing Body

A specially authorized licensing body shall:

Develop the basic directions of licensing development;

Develop draft normative and legal acts on licensing;

approve draft normative and legal acts on licensing, which are designed and adopted by bodies of executive power;

generalize the practice of application of normative and legal acts on licensing;

perform inspection of observance of legislation in the sphere of licensing by licensing bodies and licensees and provide explanations as to its application;

perform methodical guidance and informational support of licensing bodies;

establish forms of documents in the sphere of licensing and rules of their issuing;

together with the licensing bodies approve the terms of conducting a certain type of economic activity and procedure of inspection of their observance;

create an expert and appellate board;

arrange training, retraining and advanced training of specialists in licensing;

keep the Single register of licenses;

organize orders, supply, registration and accounting of the use of license forms;

issue directives to remove violations of terms of licensing and directives to remove violations of legislation in the sphere of licensing;

execute supervision of availability of the license.

(part one of Article 5 is supplemented
with a new paragraph according to the Law of Ukraine
N 2953-III, January 17, 2002)

For the purpose of training, retraining and advanced training of licensing experts a specially authorized licensing body shall develop educational programs, methodical recommendations and textbooks and establish a procedure of training and attestation of licensing experts.

For the purpose of fulfillment its authorities a specially authorized licensing body has its regional offices, acting on the grounds of provisions, established by the specially authorized licensing body.

Directives of a specially authorized licensing body, made within the scope of its competence, are obligatory for execution by bodies of executive power and bodies of local government, legal entities of all forms of ownership and physical persons – subjects of entrepreneurial activity.

Directives of a specially authorized licensing body may be appealed in court.

Article 6. A Licensing Body

A licensing body shall:

secure execution of legislation in the sphere of licensing;

establish terms of licensing of conducting certain types of economic activity and procedure of inspection of their observation together with a specially authorized licensing body;

issue and reissue licenses, deliver license duplicates for a certain type of economic activity, make decisions on recognition licenses invalid;

within the scope of its authorities perform inspection of observation of terms of licensing by licensees;

issue directives on removal of violations of terms of licensing;

design and keep the register of licenses.

Body of licensing, which is a central body of executive power, which exercises its authorities, envisaged by this Article, may delegate these authorities to its regional structural subdivisions.

Authorities of a body of licensing may not be delegated to other persons, including those, created by the licensing body.

A licensing body may not authorize other persons to assess the capability of subjects of economic activity to fulfill terms of licensing in accordance with the submitted documents.

Financing of a licensing body shall be carried out at the expense of funds of the state budget of Ukraine or local budget.

Article 7. Expert and Appellate Board

Expert and appellate board is a corporate body under a specially authorized licensing body. Activities of the expert and appellate board shall be guided by the Constitution of Ukraine, laws of Ukraine and acts of the President of Ukraine and the Cabinet of Ministers of Ukraine.

Decisions of the expert and appellate board shall have a form of expert conclusions and shall be compulsory for consideration by a specially authorized licensing body.

Authorities of the expert and appellate board shall comprise:

expertise of draft normative and legal acts of the bodies of executive power for the issues of licensing;

development of recommendations on the basic issues of state policy in the sphere of licensing;

providing provisional conclusions as to proposals of bodies of executive power and bodies of local government, associations of citizens and entrepreneurs on the expediency of introduction of licensing of certain types of economic activity or its cancellation.

consideration of applications, claims and complaints of subjects of economic activity about the decision of licensing bodies on the violation of legislation in the sphere of licensing by the specified bodies;

analysis of the state and development of recommendations as to improvement of licensing.

The staff of the expert and appellate board shall consist of state officials, scientists, other specialists and representatives of public organizations. The Cabinet of Ministers of Ukraine shall establish provisions on the expert and appellate board and its composition.

Head of a specially authorized licensing body shall administer the expert and appellate board.

Independent experts and representatives of public organizations shall be included to the composition of the expert and appellate board, in the number not less than twenty percent from the total number of members of this board.

A specially authorized licensing body shall carry out organizational, informational and material and technical maintenance of activity of the expert and appellate board.

The expert and appellate board may attract state officials, scientists and other specialists on a voluntary basis for consultations and conducting of expertise.

The expert and appellate board shall consider draft normative and legal acts, proposals and applications (appeals) within twenty workdays from the date of their registration at a specially authorized licensing body.

Decisions of the expert and appellate board shall be taken by majority vote from the total number of members of the expert and appellate board.

According to the results of consideration of the submitted draft normative and legal acts, proposals and applications (appeals) the expert and appellate board shall take a relevant decision, which shall be documented by the report, signed by the Head and the secretary of expert and appellate board.

On the grounds of a decision, made by the expert and appellate board under the results of applications (appeals), a specially authorized licensing body shall issue a directive to remove violations of legislation in the sphere of licensing, admitted by a licensing body.

Article 8. Terms of Licensing

Terms of licensing shall have a form of a normative and legal act, provisions of which shall stipulate qualifying, technological, organizational and other requirements for conducting certain type of economic activity.

A subject of economic activity is committed to perform certain economic activity subject to licensing in accordance with the terms of licensing, established with respect to this type of activity.

Terms of licensing as to those types of economic activity, conducting of which requires special skills, shall include qualifying requirements to employees of subjects of economic activity – legal entities and (or) physical persons – subjects of entrepreneurial activity.

Where there are special requirements as to constructions, premises, equipment and other technical devices for the fulfillment of certain types of economic activity subject to licensing, these requirements shall be determined in the terms of licensing.

Terms of licensing and the procedure of inspection of their observation shall be approved by a common order of a specially authorized licensing body and a licensing body.

In case a subject of economic activity conducts economic activity, specified in Article 9 of this Law, not in full measure but only partially or individual works, transactions, services, the terms of licensing shall extend to the subject of economic activity in the part, establishing requirements to execution of economic activity, specified in the license.

Terms of licensing and changes thereto shall be made a public domain according to the procedure, established by the legislation, and enter into force after ten days from the date of state registration of the normative and legal act, unless later term of their validation is stipulated by this act.

Article 9. Types of Economic Activity Subject to Licensing

According to this Law the following types of economic activity shall be subject to licensing:

- 1) minerals exploration activity;
- 2) production and service of arms and ammunition thereto, cold steel arms, pneumatic arms of caliber exceeding 4.5 millimeters and bullet airspeed over 100 meters per second, sales of arms and ammunition thereto, cold arms, pneumatic arms of caliber over 4.5 millimeters and bullet airspeed over 100 meters per second;
- 3) production of explosives (under the list, established by the Cabinet of Ministers of Ukraine);
- 4) production of extra-dangerous chemical agents (according to the list, established by the Cabinet of Ministers of Ukraine);
- 5) uranium ore mining;
- 6) extraction of precious metals and stones, organogenic jewels and semiprecious stones;
- 7) production of precious metals and stones, organogenic jewels and semiprecious stones;

- 8) manufacture of products of precious metals and precious stones, organogenic jewels and semiprecious stones and trade in precious metals and stones, organogenic jewels and semiprecious stones;
- 9) production of medicines, wholesale and retail trade in medical products;
- 10) production of veterinary medications, wholesale and retail trade in veterinary medications;
- 11) production of pesticides and agricultural chemicals, wholesale and retail trade in pesticides and agricultural chemicals;
- 12) production of special-purpose devices, loaded with lachrymatory and irritating substances, devices of individual protection or offensive defensive;
- 13) designing and production of special-purpose technical appliances for taking information from communication channels, other devices for a private obtaining of information, trade in special-purpose technical appliances for taking information from communication channels and other devices for a private obtaining of information;
- 14) development, production, utilization, operation, certification testing, subject research, expertise, importation and exportation of cryptosystems and means of cryptographic protection of information, providing services in the sphere of cryptographic protection of information, trade in cryptosystems and means of cryptographic protection of information;
- 15) designing, production, introduction, certification testing, importation and exportation of holographic protection of elements;
- 16) designing, production, introduction, servicing and research of efficiency of systems and devices of technical protection of information, providing services in the sphere of technical protection of information;
- 17) manufacture of forms of securities and documents of obligatory accounting;
- 18) transportation of oil and petroleum products by a trunk pipeline, transportation of natural gas and oil gas by trunk pipelines and its distribution;
- 19) supply of natural gas at controlled and non-controlled tariffs;
- 20) storing of natural gas in the amounts, exceeding the rate, specified by terms of licensing;
- 21) centralized water supply and draining;
- 22) designing, testing, production, operation of carrier rockets, space vehicles and their component parts, earth space infrastructure and its components, equipment, which is a constituent part of a space segment of satellite systems;
- 23) development, production, preparation, storage, transportation, purchase, carriage, importation, exportation and liquidation of drugs and psychotropics and their precursors;
- 24) cultivation and utilization of plants, containing drugs, for the industrial purposes;
- 25) performing of disinfection, disinsection and deratization works;
- 26) medical practice;
- 27) treatment of donor blood and its components, making medications thereof;
- 28) veterinary practice;
- 29) organization and maintenance of totalizators, gambling houses, issuance and arranging of lotteries;

(clause 29 of Article 9 is as amended
by the Law of Ukraine
N 1969-III, September 21, 2000)
- 30) building activity (exploration and projecting works for the purpose of construction, erection of bearing and filler structures, construction and assemblage of engineering and transport networks);

(clause 30 of Article 9 is in the wording of the Law of Ukraine N 2257-III, February 8, 2001)

31) providing services in conveyance of passengers and cargoes by air transport;

32) providing services in conveyance of passengers and cargoes by river and sea transport;

33) providing services in conveyance of passengers and cargoes by motor transport of public use (except services in conveyance of passengers and their luggage by taxi);

(clause 33 of Article 9 is as amended by the Law of Ukraine N 2344-III, April 5, 2001)

34) providing services in conveyance of passengers and their luggage by taxi;

(Article 9 is supplemented with clause 34 according to the Law of Ukraine N 2344-III, April 5, 2001, due to this clauses 34-60 shall be shifted to clauses 35-61)

35) providing services in conveyance of passengers and cargoes by railway transport;

36) storing, processing, and metallurgical treatment of scrap ferrous and non-ferrous metals;

37) collection, primary processing of wastes and scrap of non-ferrous metals and precious stones, organogenic jewels and semiprecious stones;

38) collection and storage of certain kinds of wastes as secondary raw materials (under the lists, established by the Cabinet of Ministers of Ukraine);

(clause 38 of Article 9 is as amended by the Law of Ukraine N 3073-III, March 7, 2002)

39) operations in the area of treatment of dangerous waste products;

40) clause 40 of Article 9 is excluded

(clause 40 of Article 9 is in the wording of the Law of Ukraine N 2628-III, July 11, 2001, clause 40 is excluded according to the Law of Ukraine N 2984-III, January 17, 2002)

41) designing, assemblage, technical maintenance of means of fire protection and heating systems, evaluation of fire-prevention situation within the objects;

42) testing of fire safety of substances, materials, building structures, wares and equipment, as well as assessment of conformity of fire engineering, fire-engineering equipment and fire-protection products with the established norms;

43) providing services in guarding of state and other property, guarding of citizens;

44) performing topography-and-geodesic and cartographic works;

45) execution of aviation and chemical works;

46) sending of postal orders, non-registered and registered letters, post cards, postal packages and parcels under 30 kilograms;

(clause 46 of Article 9 is in the wording of the Law of Ukraine N 2759-III, October 4, 2001)

47) providing services in the sphere of radio communication (with the use of radio frequencies);

48) providing services in telecommunication (except departmental objects);

- 49) technical servicing of tele-, radio- and wire broadcasting networks within the framework of industrial operation;
- 50) arrangement of foreign, home and international tourism; arranging of excursions;
- 51) recreational and sports activity:
- arranging and conducting of trainings of sports professionals and amateurs;
 - training of sportsmen for participation in competitions in various sports, recognized in Ukraine;

52) clause 52 of Article 9 is excluded

(according to the Law of Ukraine
N 2209-III, January 11, 2001)

53) clause 53 of Article 9 is excluded

(according to the Law of Ukraine
N 2209-III, January 11, 2001)

54) clause 54 of Article 9 is excluded

(according to the Law of Ukraine
N 2745-III, October 4, 2001)

55) activities of arbitration directors (administrators of property, sanitation managers, liquidators);

56) mediation in employment abroad;

57) professional activity in the equity market;

58) fulfillment of land planning and land appraisal works;

59) designing, construction of new and reconstruction of the existing reclamation systems and individual objects of engineering infrastructure;

60) activity related to the industrial fishing at industrial areas of water bodies of fish industries, except inner water bodies (ponds) of fish industries;

61) mediation activity of a customs broker and customs carrier;

62) production of discs for laser reading systems;

(Article 9 is supplemented with clause 62
according to the Law of Ukraine
N 2953-III, January 17, 2002)

63) exports and imports of equipment and discs for laser reading systems;

(Article 9 is supplemented with clause 63
according to the Law of Ukraine
N 2953-III, January 17, 2002)

64) production of perfumes and cosmetics with the use of ethyl alcohol.

(Article 9 is added with clause 64
according to the law of Ukraine
N 3077-III, March 7, 2002)

65) seed wholesale trade;

(Article 9 is added with clause 65 according to the Law of Ukraine N 411-IV of December 26, 2002)

66) production, storage and sale of pedigree (genetic) resources, execution of genetic expertise on origin and anomaly of animals.

(Article 9 is added with clause 66 according to the Law of Ukraine N 546-IV of February 20, 2003)

Article 10. Documents Submitted to a Licensing Body to Obtain the License

A subject of economic activity, which intends to conduct a certain economic activity subject to licensing personally or through a body or person, authorized by him/her, shall apply for a relevant licensing body with an application of a fixed standard on issuing of the license.

This application should contain the following information:

1) information on the subject of economic activity – the applicant:

name, place of location, banking essential elements, identification code - for a legal entity;

full name, passport records (series, passport number, issued when and by what agency, place of residence), identification code of a physical person – payer of tax and other compulsory payments - for a physical person;

2) type of entrepreneurial activity, determined according to Article 9 of this Law (fully or partially), for conducting of which the applicant wishes to obtain a license.

In case the applicant has branches or other separated divisions, which shall execute economic activity on the basis of the obtained license, the application should specify their place of location.

A copy of a certificate on state registration of a subject of entrepreneurial activity or a copy of a certificate on his/her including into the Single state register of Ukrainian enterprises and organizations, attested by a notary or the body that issued the original of the specified document, shall be attached to the application on issuance of the license.

For individual types of economic activity, subject to licensing, a number of documents, the exhaustive list of which shall be established by the Cabinet of Ministers of Ukraine on representation of a specially authorized licensing body, shall be attached to the application.

A body of licensing may not demand from subjects of economic activity providing of documents, not specified in this Law, except documents, envisaged by part five of this Article.

The application on issuing of the license and documents, attached to it, shall be accepted according to the list, a copy of which with indication of the date of acceptance of documents by a licensing body and signature of the person in charge shall be delivered to the applicant.

The application on issuing of the license shall not be considered where:

the application is filed (signed) by an unauthorized person;

the documents are issued with violation of the requirements of this Article.

The applicant shall be informed of shelving the application in a written form with indication of the reason for leaving the application on issuing of the license without consideration within the terms, envisaged for issuing of the license.

The applicant may re-submit the application on issuing of the license, which shall be considered according to the procedure, established by the Law, after removal of reasons on the grounds of which the decision on leaving the application on issuing of the license without consideration has been made.

Article 11. Decision to Issue or Deny Issuance of the License

A licensing body shall take a decision to issue or deny issuance of the license not later than after ten workdays from the date of receipt of an application on issuing of the license and the supplemented documents, unless other term of issuing of the license is determined by a special law, regulating relationships in certain spheres of economic activity.

A notification on making a decision to issue or deny issuance of the license shall be forwarded (delivered) to the applicant in writing within three workdays from the date of taking the relevant decision. The grounds for the specified denial shall be stipulated in the decision to deny issuance of the license.

The grounds for taking a decision to deny issuance of the license shall be as follows:

inauthenticity of the data indicated in documents, filed by the applicant to obtain the license;

inconformity of the applicant according to the submitted documents with the terms of licensing, established for economic activity, specified in the application on issuing of the license.

In case of denial to issue the license on the basis of identification of inauthentic data indicated in the documents, submitted by the applicant for issuing of the license, the subject of economic activity may submit a new application on issuing of the license to a licensing body not earlier than after three months from the date of making a decision to deny issuance of the license.

In case of denial to issue the license on the grounds of inconformity of the applicant with the terms of licensing, established for the activity, specified in the application on issuing of the license, a subject of economic activity may submit a new application on issuing of the license to a licensing body after removal of reasons, on the grounds of which the issuing of the license has been rejected.

The decision on the refusal to issue the license may be appealed in court.

Article 12. Peculiarities of Arranging The Tender to Obtain the License for those Types of Economic Activity, Conducting of which is Related to the Use of Limited Resources

In order to ensure an effective and rational use of limited resources, application of advanced technologies and equipment and creation of favorable conditions for utilization of such resources by the state, the licensing of those types of economic activity, conducting of which is related to the use of limited resources, shall be carried out only under the results of open tenders, provided several applicants have applied for issuing of the license.

The procedure of arranging of tenders to obtain licenses shall be established by the Cabinet of Ministers of Ukraine, unless otherwise stipulated by the laws of Ukraine.

The announcement on conducting the tender to obtain the licenses shall be made not later than sixty calendar days prior to the date of arranging of the tender to obtain the license and shall be subject to an obligatory publication in official publishing bodies.

To participate in the tender to obtain the license on a competitive basis the subjects of economic activity not later than thirty calendar days prior to the date of arranging of the tender shall submit a notification to a licensing body on his/her intention to take part in the tender, as well as other documents, envisaged by the procedure of conducting of the tender to obtain the license to an activity subject to licensing on a competitive basis.

A decision on the results of the competition shall be issued in the form of minutes and approved by the director of a licensing body within the term not exceeding five workdays from the date of arranging of the tender.

A notification on making of a decision on issuing of the license by the results of the tender or denial to issue the license by the results of the tender shall be forwarded (delivered) to the applicant in a written form within three workdays from the date of approval of the decision on the results of the tender.

A decision on the results of the tender may be appealed in court.

In case of cancellation of the license, issued under the results of the tender, a licensing body shall announce a tender to obtain the cancelled license within the term not exceeding ten workdays from the date of making a decision on its cancellation.

Provided the licensee does not perform any economic activity according to the license, obtained under the results of the tender within the period of six months, a licensing body may cancel such a license.

The following activities shall be regarded as those, related to the use of limited resources:

uranium ore mining;

extraction of precious metals and jewels;

supply of natural gas at controlled and uncontrolled tariffs;

storing of natural gas in the volumes, exceeding the level, established by the terms of licensing;

providing services in radio-communication (with the use of radio frequencies).

Article 13. Information Contained in the License

At the territory of Ukraine the licensing bodies shall use license forms of a single standard. The Cabinet of Ministers of Ukraine shall establish the form of the license of a single standard.

The forms of licenses are documents of obligatory accounting and have their accounting series and numbers.

The license shall specify:

name of a licensing body, issuing the license;

type of economic activity, indicated according to Article 9 of this Law (fully or partially), for the right to which the license is issued;

name of a legal entity, or full name of a natural person – subject of entrepreneurial activity;

identification code of a legal entity or that of a natural person - payer of taxes and other compulsory payments;

place of location of a legal entity or place of residence of a natural person – subject of entrepreneurial activity;

date of adoption and number of the decision on issuing of the license;

validity term of the license;

position, last name and initials of the person that signed the license;

date of issuing of the license;

the presence of a supplement (with indication of the number of pages).

(part three of Article 13 is supplemented with a new paragraph according to the Law of Ukraine N 2953-III, January 17, 2002)

The license shall be signed by the director or deputy director of a licensing body and certified by the stamp of this body.

Article 14. Issuance of the License

A licensing body shall issue the license not later than after three days from the date of reception of a document, certifying the payment of the license fee.

A licensing body shall make a record on the date of receipt of documents, certifying the applicant's payment of the license fee, in a copy of the list of received documents, which was delivered to the applicant while accepting his application on issuing of the license.

In case the applicant did not submit a document, certifying his payment of the license fee, or did not apply to a licensing body for obtaining of a completed license within thirty calendar days from the date of forwarding him a decision to issue

the license, a licensing body that issued the license may cancel its decision to issue the license the license or take a decision to recognize such a license invalid.

The term of validity of the license for conducting certain economic activity shall be established by the Cabinet of Ministers of Ukraine on representation of a specially authorized licensing body and this term shall not be less than three years.

On the grounds of the license, issued by a licensing body, which is a central body of executive power, the economic activity shall be performed within the whole territory of Ukraine.

On the grounds of the license, issued by a licensing body, which is a local body of executive power or a specially authorized executive body of councils, the economic activity shall be exercised within the territory of the corresponding administrative-territorial unit.

For each branch office and separated division of the licensee, which shall perform economic activity on the basis of the obtained license, a licensing body shall issue to the licensee copies of licenses, certified by this body, which shall be registered in the register of applications and issued licenses. A copy of the license, certified by a licensing body, is a document confirming the right of a branch office or other structural division of the licensee to execute a certain type of economic activity on the grounds of the obtained license.

A license copy fee shall be collected for issuance of the license in the amount of one minimal personal non-taxable income. The license copy fee shall be entered into the state budget of Ukraine.

In case of creation of new branch offices or other separated divisions of the licensee, which shall perform economic activity according to the obtained license, the licensee should submit to a licensing body an application of a fixed standard on issuing a copy of the license, as well as other documents according to Article 10 of this Law.

In case of liquidation of a branch office or other separated division of the licensee, which fulfilled economic activity in accordance with the obtained license, or in case a branch office or other separated division of the licensee suspends economic activity according to the obtained license, the licensee shall submit a corresponding notification to a licensing body within seven workdays from the date of liquidation of such branch office or other separated division or from the date of suspension of the activity by such branch office or separated division. A licensing body shall make corresponding changes to the register of licenses not later than on the following workday from the date of receipt of the specified notification.

Where the licensee intends to perform the economic activity, specified in the license, after expiry of its validity term, he/she should obtain a new license according to the procedure, established by this Law.

The licensing body shall issue a new license not earlier than on the last workday of validity of the previously issued license.

The licensee may transfer the license or its copy to other legal entity of physical person for the purpose of conducting economic activity.

The license to providing services in conveyance of passengers and cargoes by public motor transport and conveyance of passengers and their luggage by taxi shall be supplemented with license cards for each motor carrier. A license card is a form of obligatory accounting, which shall include registration data of the license and that of a motor carrier.

(Article 14 is supplemented with part fourteen according to the law of Ukraine N 2344-III, April 5, 2001)

Article 15. License Fee

A fee shall be charged for issuing of the license. The Cabinet of Ministers of Ukraine shall establish the size and procedure of entering this fee into the state budget of Ukraine.

The license fee shall be paid after making decision to issue the license.

Ten per cent from the amount of funds, entering the state budget of Ukraine as a license fee, shall be included to a special fund of the state budget of Ukraine and shall be used for the compensation of expenditures, related to the introduction of a Single register of licenses and producing of license forms.

(part three of Article 15 is suspended for 2001 according to the Law of Ukraine N 2120-III of December 7, 2000, for 2002 – according to the Law of Ukraine N 2905-III of December 20, 2001 for 2003 – according to the Law of Ukraine N 380-IV of December 26, 2002)

Article 16. Reissuing of the License

The license may be reissued on the grounds of:

change of the name of a legal entity (provided this change is not connected with reorganization of the legal entity) or full name of a natural person – subject of entrepreneurial activity;

change of the place of location of a legal entity or place of residence of a physical person – subject of entrepreneurial activity;

changes related to the conducting a certain type of economic activity, stipulated in Article 9 of this Law.

Should the grounds for reissuing of the license occur, the licensee has within ten workdays to provide a licensing body with an application on reissuing of the license together with the license subject to reissuing and corresponding documents or their copies, certified at the notary's office, which confirm the specified changes.

A licensing body within three workdays from the date of receipt of an application on reissuing of the license and documents attached thereto, shall reissue the license on a new form with consideration of changes, specified in the application on reissuing of the license.

In case of reissuing of the license due to the changes, related to the fulfillment of certain economic activity, determined in Article 9 of this Law, provided these changes are related to the licensee's intention to extend his/her activity, the license shall be reissued within the terms, envisaged for issuing of the license.

Along with the license, reissued on a new form, a licensing body, on the grounds of the data of the register of licenses, shall provide the licensee free of charge with copies of such license, certified by this body.

In case of reissuing of the license a licensing body shall make a decision to recognize the previously issued license invalid not later than on the following workday with the introduction of the relevant changes to the register of licenses.

Validity term of the reissued license shall not exceed the term, specified in the previously issued license.

A fee in the amount of five minimal personal non-taxable incomes shall be charged for reissuing of the license. This fee shall be included into the state budget of Ukraine.

A licensee that submitted an application and the relevant documents on reissuing of the license may fulfill his/her activity on the basis of a certificate on reception of an application on reissuing of the license to conducting certain type of economic activity, issued by a licensing body in case of submission of an application on reissuing of the license.

The license, not reissued within the established terms, shall be deemed invalid.

Article 17. Changes in the Data, Indicated in Documents, Attached to the Application on Issuing of the License

The licensee has to notify the licensing body of all the changes in the data indicated in the documents, attached to the application on issuing of the license. Should such changes occur, the licensee within the period of ten workdays should submit to a licensing body a corresponding written notification, supplemented with documents or their notarized copies, confirming the specified changes.

On the grounds of the documents, submitted by the licensee to a licensing body, a licensing body may take a decision on cancellation of the license within the terms, envisaged by this Law.

A decision to cancel the license shall be taken on the grounds of the licensee's inability to ensure execution of terms, established for the type of economic activity, to which the license has been issued, according to the submitted documents.

Article 18. Issuance of a License Duplicate

A license duplicate shall be issued on the grounds of:

loss of the license;

damage of the license.

In case of loss of the license the licensee has to apply to a licensing body for the issuing of a license duplicate, supplemented with a document, certifying payment of a fee for the issuance of a license duplicate.

Where the form of the license becomes unusable due to its damage, the applicant shall submit to the relevant licensing body:

an application on issuing of a license duplicate;

the unusable license;

a document, certifying payment of a fee for the issuance of a license duplicate.

The term of validity of a license duplicate shall not exceed the term, which was specified in the lost or damaged license.

A licensee that has submitted an application and the corresponding documents for issuing of a license duplicate instead of the lost or damaged one, may perform his activity on the basis of a certificate on submission of an application on the issuing of a duplicate of the license to conducting a certain type of economic activity, issued by a licensing body in case of submission of an application on the issuing of a license duplicate.

A licensing body shall issue a license duplicate instead of the lost or damaged one within three workdays since the date of receipt of an application on issuing of a license duplicate.

When issuing a license duplicate instead of the lost or damaged one, the licensing body shall take a decision to recognize the lost or damaged license invalid not later than on the following workday with introduction of the relevant changes to the register of licenses.

A fee in the amount of five minimal personal non-taxable incomes shall be collected for issuing of the lost or damaged license. The license duplicate fee shall be included to the state budget of Ukraine.

Article 19. License Files and the Register of Licenses

After reception of an application on issuance of the license a licensing body shall create a license file with respect to each subject, in which all the documents, submitted by a subject of economic activity on the issuing, reissuing of the license, issuance of a license duplicate, documents related to the changes in the data, indicated in documents, attached to the application on issuance of the license, as well as copies of decisions of a licensing body to issue, reissue and cancel the license and issue a license duplicate and directives on removal of violations of the terms of licensing shall be kept.

A licensing body shall fix the date of receipt of documents in the registry of applications and issued licenses. The register of applications and issued licenses shall be kept with respect to each type of economic activity subject to licensing.

The registry of applications and issued licenses should contain information on the applicant, date of reception of an application on issuing of the license, number and date of the decision to issue or deny issuance of the license, as well as information on issuance of copies of the license.

While issuing the license, the date of issuance of the license, name of the applicant that has been familiarized with the terms of licensing of a certain type of economic activity, which is certified by his/her signature, shall be recorded in the registry of applications and issued licenses.

A licensing body shall bear responsibility for preservation of the license file.

A licensing body shall create and keep a register of licenses to a certain type of economic activity.

The register of licenses shall include:

information on a subject of licensing – licensee;

information on a licensing body, issuing the license;

type of economic activity according to the issued license;

date of making a decision to issue the license and the number of this decision;

series and number of the license;

validity term of the license;

information on reissuing of the license, issuing of a license duplicate and issuing of a copy of the license;

grounds, date and number of a directive on the necessity to remove the violations of the terms of licensing;

grounds, date and number of a decision to cancel the license;

grounds, date and number of a decision to recognize the license invalid.

A specially authorized licensing body shall keep the Single register of licenses, which shall contain information on the registers of licenses and identification codes of licensing bodies.

Information, contained in the Single register of licenses and registers of licenses shall be open to public. A fee shall be charged for the use of this information. This fee shall be entered into the State Budget of Ukraine.

The procedure of creation, keeping and use of registers of licenses, as well as the procedure of entering information of the registers of licenses to the Single register of licenses shall be established by the Cabinet of Ministers of Ukraine.

The bodies of state power shall be exempted from payment of a fee for the use of data of the Single register of licenses and registers of licenses.

Article 20. Supervision and Control in the Sphere of Licensing

A specially authorized licensing body shall carry out a state supervision of observation of requirements of the legislation in the sphere of licensing by licensing bodies by means of conducting of planned and extra planned inspections.

A specially authorized licensing body shall conduct extra planned inspections of observation of requirements of the legislation in the sphere of legislation only on the grounds of receipt of a written application (notification) on violations of requirements of legislation in the sphere of licensing, or with the object of inspection of fulfillment of the directives to remove violations of requirements of legislation in the sphere of licensing by a licensing body.

In the course of the inspection a licensing body shall provide a specially authorized licensing body with the decisions and other documents for the issues of licensing and secure proper conditions for execution of the inspection.

Due to the results of the inspection, a specially authorized licensing body shall make an act in two copies. One copy of the act shall be handed to the director of the licensing body, whose activity has been subject to inspection, and the second one shall be kept with a specially authorized licensing body.

In case of identification of violations of legislation in the sphere of licensing by a licensing body, a specially authorized licensing body shall issue a directive on removal of violations in the sphere of licensing by a licensing body not later than after ten workdays from the date of making an inspection act.

A licensing body, that received a directive on the removal of violations of legislation in the sphere of licensing, shall submit a notification on the removal of identified violations to a specially authorized licensing body, within the term, determined in the directive.

A specially authorized licensing body and other bodies of executive power within the scope of their competence shall perform supervision of the presence of the license with the subjects of economic activity through conducting the planned and extra planned inspections.

(Article 20 is supplemented with part seven according to the Law of Ukraine N 2953-III, January 17, 2002, due to this parts seven-fourteen shall be shifted correspondingly to parts eight-fifteen)

Supervision over the licensees' observation of the terms of licensing shall be carried out by licensing bodies and a specially authorized licensing body within the scope of their authorities through conducting of the planned and extra planned inspections.

The planned inspections of the licensees' observation of the terms of licensing shall be performed at least once a year.

Licensing bodies or a specially authorized licensing body shall execute extra-planned inspections on the grounds of a submitted written application (notification) on the licensee's violation of the terms of licensing or with the object of supervision over fulfillment of the directives to remove violations of the terms of licensing.

During the inspection of the licensee's observation of the terms of licensing, this licensee shall provide all the documents, required for the inspection, and ensure proper conditions for its execution.

Due to the results of the inspection, the body, performing the inspection shall make a relevant act in two copies. One copy shall be handed to the director of the object, subject to inspection, and the second one shall be kept by the body, performing the inspection.

Not later than after ten workdays since the date of making an act on violations of the terms of licensing, a licensing body or a specially authorized licensing body shall issue a directive to remove violations of the terms of licensing or a licensing body shall make a decision to cancel the license.

A licensee, receiving a directive to remove violations of the terms of licensing, is committed to submit a notification on the removal of violations to the body that issued such a directive within the term, determined by this directive.

In case of identification of violations of the terms of licensing, the state bodies of control and bodies of local government shall notify a licensing body of these violations.

Article 21. Cancellation of the License

The license may be cancelled on the grounds of:

a licensee's application on cancellation of the license;

an act on the repeated violation of the terms of licensing by a licensee;

a decision on cancellation of the state registration of an object of economic activity;

a notarized copy of the certificate on the death of a physical person – subject of entrepreneurial activity;

an act on identification of inauthentic information in documents, submitted by a subject of economic activity to obtain the license;

an act on establishing of a fact of delivery of the license or its copy to other legal entity or physical person for the purpose of performing of economic activity;

an act on establishing of a fact of non-submission of a notification on the changes in the data, indicated in documents, attached to the application on issuance of the license within the established terms;

an act on non-fulfillment of a directive to remove violations of the terms of licensing;

a licensee's incapacity to ensure fulfillment of the terms of licensing, established for a certain type of economic activity;

an act on the licensee's refusal to allow the licensing body or a specially authorized licensing body to conduct an inspection.

(part one of Article 21 is supplemented with a new paragraph according to the Law of Ukraine N 2953-III, January 17, 2002)

A licensing body shall take a decision to cancel the license within a period of ten workdays from the date of identification of grounds for cancellation of the license, which shall be presented (forwarded) to the licensee with indication of grounds for cancellation of the license not later than after three workdays since the date of making this decision.

Consideration of the issues on cancellation of the license on the grounds of an act on establishing of a fact of non-submission of a notification on changes in the data, indicated in documents, attached to the application on issuing of the license within the established term; an act on identification of inauthentic information in the documents, submitted by a subject of economic activity to obtain the license; an act on establishing of a fact of delivery of the license to other legal entity or physical person for the purpose of conducting economic activity; an act on non-fulfillment of a directive to remove violations of the terms of licensing shall be carried out by a licensing body with the obligatory attendance of the licensee or his representatives.

A decision to cancel the license shall come into force after ten days from the day of its taking.

If within this term a licensee submits a complaint to the expert and appellate board, the force of the specified decision of a licensing body shall be suspended till adoption of a corresponding decision by a specially authorized licensing body.

A record on the date and number of the decision to cancel the license shall be made in the register of the license.

In case of cancellation of the license on the grounds of an act on the repeated violation of the terms of licensing by a licensee, an act on establishing of a fact of non-submission of a notification on introduction of changes in the data, indicated in documents, attached to the application on issuing of the license within the established term, an act on identification of inauthentic information in the documents, submitted by a subject of economic activity to obtain the license, an act on establishing of a fact of delivery of the license to other legal entity or physical person for the purpose of conducting economic activity, an act on non-fulfillment of a directive to the remove violations of the terms of licensing a subject of economic activity shall obtain a new license to conducting this type of economic activity not earlier than after one year from the date of making a decision by a licensing body to cancel the previous license.

The decision to cancel the license may be appealed in court.

Article 22. Responsibility for Violation of Terms of this Law

Officials of the licensing bodies and a specially authorized licensing body shall bear responsibility for non-observance of legislation in the sphere of licensing according to the law.

Sanctions in the form of a penalty in the amounts, established by the legislation, shall be applied to subjects of economic activity for conducting economic activity without a license.

The abovementioned penalties shall be directed to the state budget of Ukraine.

A decision on collection of penalties shall be made by a body, which is authorized to perform inspection of the presence of licenses according to the acting legislation.

Article 23. Compensation of the Damage for Violation of Legislation in the Sphere of Licensing

The damage, inflicted due to violation of the legislation in the sphere of licensing, shall be compensated upon claims of interested parties according to the procedure, established by the law.

Article 24. Final Provisions

1. This Law shall come into force after three months from the day of its publication.
2. Before bringing the legislation into line with the Law of Ukraine "On Licensing of Certain Types of Economic Activity" the laws and other normative and legal acts shall be used in the part, which is not in conflict with this Law.

3. The licenses to conducting certain economic activities, issued according to the established procedure before entry this Law into force and licensing of which is envisaged by this Law, shall be valid until expiry of terms, specified in these licenses, and the forms of these licenses shall be exchanged for the forms of a single standard within a period of one year from the date of entry this Law into force according to the procedure, established by the Cabinet of Ministers of Ukraine.

4. Upon entry this Law into force the Cabinet of Ministers of Ukraine shall:

submit proposals as to bringing the legislative acts of Ukraine into line with this Law to be considered by the Verkhovna Rada of Ukraine;

bring its decisions into accord with this Law;

ensure bringing of normative and legal acts of ministries and other central bodies of executive power into accord with this Law;

develop normative and legal acts, envisaged by this Law;

5. Make the following amendments to the [Law of Ukraine "On Entrepreneurship"](#) (Vidomosti Verkhovnyi Rady of the USSR, N 14, art 168, 1991; Vidomosti Verkhovnyi Rady Ukrainy N 30, art 232, 1995; N 17, art 80, N 26 art 158, 1998; N 7, art 52, N 8, art 60, N 36, art 317, N 38, art 350, NN 42-43, art 378, N 48, art 415, 1999; N 5, art 34, NN 6-7, art 37, 2000):

put part three of Article 3 in the following wording:

"The Verkhovna Rada of Ukraine shall establish a list of activities, in which entrepreneurship may not be exercised due to increased requirements to the safety of works and the necessity to centralize administrative functions";

put Article 4 in the following wording:

"Article 4. Restrictions in Conducting Entrepreneurial Activity"

Activities, connected with turnover of drugs, psychotropics and their analogues or precursors, shall be carried out according to the Law of Ukraine "On Turnover of Drugs, Psychotropics and their Analogues and Precursors in Ukraine".

Activities, connected with the production and sales of weapons and ammunition thereto as well as production of amber, guarding of certain extra-important objects of a state property right, the list of which shall be specified according to the procedure, established by the Cabinet of Ministers of Ukraine, as well as activity, related to conducting of a criminal, judicial-and-medical, judicial-and-mental expertise and designing, testing, production and operation of carrier rockets, including their space launches with any purpose, may be fulfilled only by state enterprises and organizations, and execution of pawn operations- by full partnerships as well.

Activities, connected with maintenance service and operation of prime networks (except local networks) and satellite systems of telecommunication in the public telecommunication networks (except satellite telecommunication systems in the public networks, which have an earth conjugation station at the territory of Ukraine and are created or deployed with the help of the national carrier rockets or the national space vehicles), payments and delivery of pensions and subsidies to low-income citizens shall be performed exceptionally by state-owned enterprises and communication companies.

Activities, directed at production of mixed motor fuels (A-76Ek, A-80Ek, A-92Ek, AI-93Ek,

A-95Ek, A-98Ek) containing not less than 5 percent of high-octane oxygenic additions-dehydrated methyl alcohol and ethyl-tret-butyl ether, shall be carried out by petroleum refining enterprises, a list of which shall be established by the Cabinet of Ministers of Ukraine.

Activities, related to the production of high-octane oxygenic additions, specified in part four of this Article, shall be performed by state distilleries, a list of which shall be established by the Cabinet of Ministers of Ukraine".

President of Ukraine

L. KUCHMA

Kyiv
June 1, 2000
N 1775-III