

**LAW
On a peasant's farm**

The Law regulates legal, social, organizational and economic relations of a peasant's farms and is aimed at the creation of the conditions for its equal development together with other types of farming, production growth, quality increase and cost reduction of agricultural products, provision of guarantees for economic self-sufficiency to the social protectability in activities of these farms.

1. GENERAL PROVISIONS

Article 1. Legislations on a peasant's farm

Relations, connected with the establishment and activities of peasant's farms, are governed by the Law, Land Law of the Kyrgyz Republic, Lease Law of the Kyrgyz Republic, Property Law of the Kyrgyz Republic and other Legislation of the Republic.

Legislation in force does not cover legal relations arose at other types of farming and entrepreneurship of citizens.

Article 2. Conception of a peasant's farm

A peasant's farm is a self-sufficient economic subject, the activities of which are mainly based on the personal labour of members of one family, relatives and other persons, managing agricultural commodity production, based on the land allotted by the regional Soviet of People's Deputies in the form of the inheritable land tenure through the whole life or provided in the form of the temporary leasehold, upon the means of production either belonging to a peasant's family by the right of property or received according to the lease agreement.

The members of the family are husband and wife, children, parents, relatives and other persons jointly keeping a farm. Citizens working in the peasant's farm according to the labour agreement including relatives whom the agreement is concluded with can not be members of the peasant's farm. A peasant's farm may consist of one person.

Article 3. Head of a peasant's farm

The interests of a peasant's farm in front of the state, co-operative, social and other enterprises and citizens are represented by the head of the farm, in the name of whom the documents on land allocation are registered, who with the consent of all his members organises economic activities, concludes agreements on behalf of the farm, invests members with a power of attorney, enjoys the rights of disposal of property

and means and also accomplishes other juridical actions connected with the activities of the farm.

The head of a peasant's farm may be any workable citizen of the Kyrgyz Republic aged 18 possessing the required working experience in agriculture.

In case of a disease, disablement, achievement of the pension age or long absence, the head of a peasant's farm may transfer the right of land tenure or provide it into the temporary use and also authorize one member of the family keeping a farm jointly with him to perform his/her responsibilities and enjoy the rights. In this case the terms of the lease agreement can not exceed one year, and the lease payment - farm's expenditures connected with taxes and other payments and also productivity maintenance of the leased land.

Once there are no such family members the land plot and the rights of the head of a peasant's farm may be transferred to incidental persons possessing working experience in agriculture according to the decision of the Soviet of People's Deputies.

Article 4. Production activities of a peasant's farm

A peasant's farm independently organizes production, determines the lines of its activities, structures and scope of production, ways of production sale, chooses partners for joint activity, disposes of money.

It is not allowed for state, co-operative and other social organizations and institutions to interfere in economic activities of peasant' s farms except in cases of violation of legislation by them.

A peasant's farm independently reproduce basic and current capital, conducts equipment, building and premises maintenance, concludes agreements on lease of land plots and property required for farm keeping.

A peasant's farm may deal with ancillary craft and process agricultural production in the established order.

On the co-operative basis peasant's farms may organise enterprises for production processing, machinery maintenance, supply organizations, shops, and also joint stock societies and commercial banks, establish associations, unions and join them according to the by-laws adopted.

A peasant's farm at the expense of own means and credits conduct environment protection measures compensating negative influence of its economic activities upon the environment.

A peasant's farm is obliged to compensate losses caused by it as a result of violating the legislation on environment protection.

If the activities of a peasant's farm result in violation of the natural regime use it bears the responsibility in the order established by the legislation of the Kyrgyz Republic.

The State guarantees the protection of the rights of possession and right to use land, waters, forests and other objects provided to the peasant's farm against illegal actions of state organizations, co-operatives and citizens.

Enterprises, institutions, organizations and citizens bear the responsibility for losses caused to a peasant's farm in connection with rights' violation and limitation of its economic activities. The losses caused to the peasant's farm are compensated in total (including lost profit). Disputes arose on these issues are settled by the court.

Article 5. Types of peasant's farms

1. Paragraphs 1 and 3 of the Article 5 should be put in the following way:

" A peasant's farm at will of the head of the farm may be inheritable or leased. An inheritable peasant's farm is based on the land transferred by it into inheritable possession through the whole life".

" A leased peasant's farm at will of the head of the farm may be transferred into the inheritable peasant's farm." Law No. 434 dated 19.04.91.

Article 6. Formation of a peasant's farm

A peasant's farm is established on the strictly voluntary basis. Each citizen of the Kyrgyz Republic meeting the requirements of the Paragraph 2, Article 3, is entitled to establish a peasant farm.

A peasant farm is subject to be registered in a regional Soviet of People's Deputies due to the place of land plot location.

To keep a peasant farm a kolkhoz (sovkhos) is entitled to allocate a share fund in the form of money or in kind to a collective farmer (worker of the sovkhos) due to him/her leaving the kolkhos membership.

The amount of the share fund is determined by the kolkhos's board of directors with the consent of the general meeting of collective farmers (meetings of Soviets of labour groups of sovkhoses and other agricultural enterprises) in accordance with the labour contribution of the collective farmer within the working period in the kolkhos. In sovkhoses created on kolkhos's lands with the use of its property share funds are allocated to peasant's farms in accordance with the labour contribution of its members within the working period in the former kolkhos and in other sovkhoses - on lease with the right of subsequent redemption with an allowance for profits belonging to a worker in accordance with the Law of the Kyrgyz Republic on enterprises.

Article 7. Property of a peasant farm

A peasant farm may own dwelling houses, household buildings, plantations on the land plot, workstock, poultry, agricultural machinery and implements, transport and other property for independent management of agricultural production and ancillary craft.

A peasant's farm is entitled to own on-farm products and also profit from their sale, after tax and other payments used at its discretion.

The property of a peasant's farm belongs to its members according to the right of joint property or it is determined by the agreement between the members of the farm.

Husband and wife living together with their children under age may have only one peasant's farm.

The property of a peasant's farm is inherited by persons being a heir general or specified in the will in the order stipulated by the legislation of the Kyrgyz Republic.

The right of land tenure is inherited in the order and at the terms and conditions established by the legislation of the Kyrgyz Republic.

A heir of the property of a peasant's farm is free of state tax payment for certification of inheritance right in case of redrafting of the State Act on the right of land tenure in his/her name.

If there are no heirs general or by devise and also in case of non-acceptance of inheritance or disinheritance of all members of a peasant's farm the property of the peasant's farm is transferred to the state in the order established by the legislation of the Kyrgyz Republic.

The land of a peasant's farm can not be sold, bought, presented, pledged, self-willed exchange or partition.

Article 8. Compensations to members of a peasant's farm

In case of a member of a peasant's farm leaves from its membership he/she is entitled to be paid monetary compensation. The amount of the monetary compensation being subject to be paid to the member of the peasant's farm is determined by his/her labour contribution and property share transferred to the peasant's farm by him/her at its establishment.

The order and terms of the compensation payment is determined according the mutual agreement of all members of the farm. At the same time the term of the compensation payment can not exceed 5 years.

Those members who are establishing a new peasant's farm have the right on natural property share of a peasant's farm in case of their leaving from its membership and with the consent of all adults and workable members of the peasant's farm. Disputes on amounts and the order of compensation payment are settled by the court.

Article 9. Legal protection of a peasant's farm

A peasant's farm and its property is under protection of the Law. The property of the peasant's farm against which recourse can not be taken according to creditors' claims is determined by Civil Legal Codes of the Kyrgyz Republic.

Article 10. Peculiarities of establishing a leased peasant's farm

The basis for establishing a leased peasant's farm is a lease agreement concluded between a local Soviet People's Deputies and a person intending to take a lease of land plot, in which mutual rights and responsibilities of parties and legal terms and conditions of the agreement are fixed. Land is given for the period of time and on terms and conditions stipulated in the lease agreement.

The right of temporary use of land of a leased peasant's farm is registered in the form of a Certificate on the right of temporary use of land issued by the Soviet of People's Deputies.

Land lease may last not less than five years. Apart from the land lease it is possible to take a lease of buildings, agricultural machinery and other necessary property for peasant's farm management.

While establishing a leased peasant's farm and its subsequent activities it is necessary to act in accordance with the Law and legislation regulating lease and land relations.

II. LAND TENURE AND LAND USE OF PEASANT'S FARMS

Article 11. Land allocation for a peasant's farm

2. The Part 2, Article 11, should be put in the following way:

“Land plots for peasant's farm management are allocated at will of the head of a peasant's farm into the inheritable possession through the whole life. A peasant's farm may also take a lease of land plots for temporary use in the established order. Foreign citizens may establish a peasant's farm for use of land plots provided by the Board of Ministries of the Kyrgyz Republic for temporary use on the lease basis”. Law No. 434 dated 19.94.91.

A peasant's farm is considered to be established from the moment of the decision adopted by the regional Soviet of People's Deputies (for foreign citizens - Resolutions of the Board of Ministries) on allocation of a land plot and service of the State Act on the right of land tenure (certificates on the right of temporary use of land - for a leased peasant's farm and foreign citizens).

Land plots are allocated to citizens as a whole district including located water sources, irrigation network and irrigation water limit.

Land for a peasant's farm is allocated on the competition basis. A preferential right of citizens to obtain a land plot for peasant's farm management is determined adjusted for work experience in agriculture, necessary qualification, permanent residence in the area, intents and abilities of a family to manage a peasant's farm.

Land plots are allocated from public land of these kolkhoses with the consent of the general meeting of collective farmers, meetings of labour groups of sovkhoses and other agricultural enterprises. Extra crop rotation arable lands are primarily allocated, if it is not possible - separate rotation plots, pastures and hay lands.

With the view to create equal management conditions for a peasant's farm land plots cadastre of which should be average in a farm are allocated. The legislation of the Kyrgyz Republic establishes tax and other privileges at the allocation of land plots with a lower qualitative evaluation than average cadastre in a farm.

Land plots for a peasant's farm management are allocated to other citizens not being collective farmers, workers of sovkhoses and other agricultural enterprises from the land fund in accordance with the land legislation of the Kyrgyz Republic.

As a rule, lands of kolkhoses, sovkhoses and other agricultural enterprises highly efficiently using their agricultural lands and having achieved the land productivity higher than average regional indices and also research, training and other agricultural institutions using land as research and field study, "know-how" extension are not subject to be withdrawn for formation of peasant's farms.

Article 12. Appealing against a refusal to citizens in the allocation of land for peasant's farm management

The refusal to citizens in allocation of land at its availability for peasant's farm management may be appealed judicially.

Article 13. Limit of the land plot of citizens managing a peasant's farm

In each case the limit of a land plot allocated for a peasant's farm is determined by a regional Soviet of People's Deputies adjusted for specialization and peculiarities of local conditions (fertility of land, average land security for one workable person in a kolkhos and sovkhos, requirement in agricultural lands of the public land fund, citizens' household farming, expansion of populated areas, etc.) and also real possibilities of a peasant's farm (a number of members, their professional training, per capita fund and power consumption) to increase the yield of agricultural crops or increase of productivity of natural pastures against the level achieved in public farms, provision of the rational use of lands in accordance with the land legislation.

Article 14. Land use

A peasant's farm is obliged to use efficiently land allocated in accordance with the designated purpose to increase its fertility, apply environment protection technologies, not to admit the aggravation situation as a result of its economic activities.

A peasant's farm is obliged to carry out a range of measures on land protection stipulated by the legislation not to violate the rights of other land owners and users.

A specific way of land use of a peasant's farm is determined on its own.

Only with the consent of a farm and subject to preserve natural components in ecologically pure state it is not allowed to pass lands of a peasant's farm by people, any kinds of transport, go swimming and fishing, boating in reservoirs of the farm, place tents and live in them, light a camp fire and other similar actions.

Article 15. Natural resources use

The right of use of forests, water reservoirs and generally used minerals located on the lands of a peasant's farm arose simultaneously with the right of land plot use.

Works on land improvement allocated to a peasant's farm, designing and construction of access roads are conducted at the expense of the peasant's farm or may be conducted at the expense of budgetary appropriations allocated for agricultural enterprises in the established order.

A peasant's farm violating the established environment protection regime bears the responsibility in the order established by the legislation of the Kyrgyz Republic.

Article 16. Lands use of a peasant's farm

The limit of a land plot allocated to a peasant's farm may be changed only with the consent of its head.

Once a head of a peasant's farm dies the right on further farming is granted to one of the members of the farm and if there are no such - to one of the heir.

The heir of the head of the peasant's farm is issued a new State Act on the right of land ownership.

Disputes between members of a farm and between heirs regarding the preferential right on further farming is settled by the court adjusted for the contribution of each into the farm development and also their real possibilities of farming (work ability, professional training and other conditions).

Article 17. Land tax and taxation of income of a peasant's farm

The payment for land is levied from a peasant's farm in the form of the land tax or lease payment determined subject to the quality and location of the land plot.

The order and rates of the land tax established by the legislation of the Kyrgyz Republic. The legislation of the Kyrgyz Republic may foresee the privileges for land charges, full or partial exemption for the certain period, delay in payment, reduction in pay rates.

Taxation of incomes of a peasant's farm members is conducted in accordance with the acting legislation on tax.

Article 18. Termination of the right to own the land of a peasant's farm

The right to own the land of a peasant's farm is terminated in the following cases:

- a) voluntary refusal from the land plot;
- b) use of the land plot for purposes not regarding the agricultural production or ancillary craft in the established order;

3. Sub-paragraph "c", Article 18, should be put in the following editing:

"c) emergence of exceptional necessity for fully or partly confiscation of land pilots in case of government and public needs (or to meet). Confiscation of land pilots will be made with the consent of a peasant farm or after providing a peasant farm with a land

pilot of equal value according to this farm's desire, construction of dwelling and production buildings of equal value instead of confiscated ones and reparation of all other losses in total (including missed profit) at a new place by an enterprise, institutions, organizations for which a land plot is allocated. Disputes regarding reparation of losses and determination of their amounts are settled by the court".

4. The Article 18 should be supplemented by sub-paragraphs f, g, h, i, j with the following:

“f) expiry of the period for which a land plot is allocated;

g) irrational use of a land plot expressed in the yield rate lower than the standard (according to the cadastre) for land to be used on agricultural purposes;

h) use of a land plot by methods causing the reduction of soil fertility, their chemical and radioactive pollution, environment aggravation;

i) systematical non-payments of land tax within the terms established by the legislation of the Kyrgyz Republic and also lease payment within the terms stipulated by the lease agreement;

j) irrational use of pastures resulted in degradation and also partial or full non-use of pastures within the season if it is not connected with activities to be conducted on soil fertility improvement and increase in productivity of fodder pastures”. Law No. 434 dated 19.04.91.

c) to construct dwelling, production, cultural and municipal, and other buildings in the established by the Law;

d) property on crops of agricultural cultures, planting of perennial fruit, decorative and other plantations, on dwelling, production, cultural and municipal, and other building;

e) dispose freely of on-farm products and incomes from its sale;

d) in case of confiscation of land one should receive full compensation for expenditures to improve soil fertility and also for losses including missed profit.

Article 20. Liabilities of a peasant's farm

A peasant's farm is liable:

a) to use land rationally and sufficiently, improve fertility, apply environment protection technologies of production, not to aggravate ecological situation on pastures allocated as a result of its economic activities;

b) to restore soil fertility and other valuable properties violated by them at the expense of own within the terms established by a local Soviet of People's Deputies;

- c) to pay timely for land and other payments established by the legislation;
- d) to observe the rights of other land owners and land users.

Article 21. Labour in a peasant's farm

The activities of a peasant's farm is based upon the personal labour of its members. In case of production necessity a peasant's farm is entitled to recruit other citizens in accordance with the labour agreement.

In the labour agreement there are determined working hours, days off, annual paid leaves, rates of salaries and their limits, meals and other issues regarding the mode of life and working conditions.

Rates of salaries and the duration of the paid leaves for persons working according to the labour agreement in a peasant's farm should not be less than a minimum salary rate and duration of the leave established for workers of the relevant qualification of state enterprises. It is not allowed to change the terms and conditions of the labour agreement unilaterally.

The labour agreement with persons recruited for work in a peasant's farm is subject to be registered in the relevant Soviet of People's Deputies and in the trade union body if the peasant's farm is a place of the main work of people mentioned.

The basis and confirmation of working hours of persons in a peasant's farm recruited according to the labour agreement is a record in the employment record book put by the trade union body having registered the labour agreement.

5. The Paragraph 2, Article 22, should be put in the following editing:

" A peasant's farm as an object of the state social insurance is registered in the relevant trade union body and in the established order pays deductions to the pension fund and deductions from incomes to the state fund of social insurance for members of the peasant's farm and persons working in the farm according to the labour agreement".

Work time of members and persons recruited for work according to the labour agreement in a peasant's farm is recorded into the occupational life and continuous record of work based on the documents confirming contributions for social insurance.

Pensions granted before to members of a peasant's farm and persons recruited for work according to the labour agreement are preserved in full.

Peasant's farms are entitled to establish associations (unions, co-operatives and other organizations) at the expense of their own to provide members of peasant's farms and persons working in peasant's farms according to the labour agreement with additional social insurance and social security.

A peasant's farm carries out measures on providing labour protection, industrial safety, fire safety, production sanitary and hygiene.

Article 23. Sale of production of a peasant's farm

On the voluntary basis a peasant's farm may conclude agreements with state, co-operative and public enterprises and organizations carrying out procurement and processing of agricultural products and also sell products to any other consumers and at markets at own discretion.

Products sold to state enterprises and organizations in accordance with agreement concluded are paid according to the purchasing or contractual prices on the terms foreseen for kolkhoses and sovkhoses. Prices on the left products sold by peasant's farms are determined in accordance with parties' agreement.

Article 24. Supply of materials and machinery to a peasant's farm

To carry out economic activities being necessary a peasant's farm purchases the property from state and co-operative enterprises and organizations, at markets, from citizens and also goods in state and co-operative retail trade network.

A peasant's farm has a right to purchase: tractors, lorries, other agricultural machinery and spare parts to them, mixed fodder, implements, mineral fertilisers, chemical protection means for plants, building materials, lubricants and combustibles and other production being necessary for farm activities through supply of material and machinery in the order and at prices established for kolkhoses; cattle and poultry from agricultural enterprises - at prices determined in accordance with parties agreement; high-grade seeds and planting materials from agricultural enterprises - at retail and wholesale prices in accordance with the established order.

Payment for gas and power consumption for production needs is made at the tariffs established for kolkhoses and sovkhoses.

Repair and technical maintenance of tractors, lorries and other agricultural machinery belonging to a peasant's farm is carried out by state agroservice enterprises and organizations at current wholesale prices (tariffs) determined for providing kolkhoses and sovkhoses with services and by other enterprises - at prices in accordance with agreement.

Article 25. Basis of relations of a peasant's farm with enterprises, organizations, institutions and citizens

A peasant's farm has a right to make deals stipulated by laws with state, co-operative and other public enterprises, organizations, institutions and citizens, purchase, change, sell, take a lease, borrow any property required for farming from state, co-operative and other public enterprises, organizations, institutions and citizens.

Economic and production interrelations of a peasant's farm with state, co-operative and other public enterprises, organizations, institutions and citizens-consumers of its products, suppliers of materials and machinery, all its business transactions are made in accordance with parties' agreement if the other is not stipulated by the acting legislation.

Once contractual liabilities are not observed a peasant's farm bear the property accountability in the established order, recovers damages. Once state, co-operative and other public enterprises, organizations, institutions and citizens do not observe contractual liabilities then they bear the property accountability in the established order and recover damages.

Article 26. Crediting, financing and insurance of property of a peasant's farm

A peasant's farm has a right to open a bank current account for making payments and money keeping and dispose of money of the account without restrictions. The use of an account is made by written order and by cash issuance.

Writing sums off an account of a peasant's farm may be done only with the consent of the farm or by the court's judgement, or on the basis of an executive superscription in cases established by the legislation.

Banking institutions may provide peasant's farms with long-term and short-term credits on the basis of the concluded credit agreement stipulated crediting terms. In credit agreements with a peasant's farm there are stipulated its liabilities on pledge of credited valuables, guarantee and other types of provision of repayment of loans.

A peasant's farm provides banking institutions carrying out credit and settlement services with necessary documentation.

The procedure of cash keeping, control of its observance and also terms of cashing and depositing is agreed by a peasant's farm with banking institutions.

A peasant's farm bears a full responsibility for observation of credit agreements and pay discipline. Once credits are not repaid in time the banking institutions may exercise the right to sell the pledged property with the view to repay the debts.

As a pledge there are may be material assets, products, basic funds and also borrower's property in the order established by the acting legislation.

A peasant's farm may obtain a credit from state and co-operative organizations on the contractual terms and conditions.

A local Soviet of People's Deputies has a right to provide a peasant's farm with free aid to repay initial expenses for establishment of the farm and also for recovery of losses within lean years.

The property of a peasant's farm is insured on the voluntary basis in accordance with the acting legislation.

IV. CESSATION OF ACTIVITIES

Article 27. Cessation procedure of activities of a peasant's farm

The activities of a peasant's farm are ceased according to the decision of all its members either on the basis of the decision of a local Soviet of People's Deputies on confiscation of a land plot in the established order, or according to the judgement of the court.

Once the activities of a peasant's farm are ceased according to the decision of all its members the property belonging to the peasant's farm is sold on their own.

Once the activities of a peasant's farm are ceased according to the decision of a local Soviet of People's Deputies on confiscation of a land plot the property belonging to the peasant's farm is sold on their own, either according to the decision of a special commission established by a local Soviet of People's Deputies - a final decision on the issue is made by a local Soviet of People's Deputies.

A special commission formed by the court or according to its decision by a local Soviet of People's Deputies ceases the activities of a peasant's farm if all members of the peasant's farm die, there are no heirs or it is declared about the insolvency of the peasant's farm.

In the judgement of the court on cessation of the activities of a peasant's farm there are stated the procedure and terms of liquidation of the peasant's farm, terms for making claims which can not be less than two months from the moment of cessation of the activities of the peasant's farm.

Primarily debts to budget, bank are repaid and expenses on recultivation of lands used by the peasant's farm ceased its activities are compensated.

Creditors' claims to a liquidated peasant's farm are satisfied by the property of the peasant's farm. The commission is obliged to charge debtor indebtedness to a peasant's farm and reveal creditors' claims.

The property left after payments to the budget, bank, other creditors is transferred at the disposal of members of the former peasant's farm and if they are absent - the court makes a final decision upon it.

the city of Frunze, February 2, 1991
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