

The Law of Ukraine
On Amending the Law of Ukraine
“On Development of Automobile Industry in Ukraine”

No.2740–IV

of July 6, 2005

The Verkhovna Rada of Ukraine hereby resolves:

I. to introduce the following amendments to the Law of Ukraine “On Development of Automobile Industry in Ukraine” (Vidomosti Verkhovnoi Rady Ukrainy, 2004, No.26, Art. 360):

1. Clauses 7 and 8 of Article 1 shall be stated in the following wording:

“7) an enterprise manufacturing motor vehicles and motorcycles (scooters), as well as accompanying component parts and spare parts – a legal entity, resident of Ukraine, that produces motor vehicles, motorcycles and accompanying component parts and spare parts, and implements the program for creation of productive capacities and new jobs;

8) program for creation of productive capacities and new jobs – approved by the Cabinet of Ministers of Ukraine program for construction, reconstruction, technical re-equipment and/or re-equipment of productive capacities, creation and/or modernization of production objects, as well as for implementing a plan to create new jobs, that is carried out to produce motor vehicles, motorcycles, as well as accompanying component parts and spare parts”.

2. Article 4 shall be stated in the following wording:

“Article 4. Determination of Origin

1. Within three years following the year of Ukraine’s accession to the World Trade Organization, to determine origin, Ukraine shall use the rules of sub-paragraphs “a”-“c” of Article 2 “Disciplines During the Transition Period” of Part II “Disciplines to Govern the Application of Rules of Origin” of the Agreement on Rules of Origin in the framework of the GATT, taking account of the fact that the criteria for operations related to production of motor vehicles and motorcycles (scooters) envisage:

a) production of the body (cabin) from separate elements, parts or units by direct fixation fastening (that does not envisage an opportunity for their further disjunction without any losses of qualitative or pricing features of specific elements);

b) painting of the body (cabin) of a motor vehicle or motorcycle (scooter);

c) assembly of a motor vehicle or motorcycle (scooter) from separate elements (except for interior furnishing);

d) tuning upon customer's order. Tuning shall be understood as works that improve internal or external indicators of a motor vehicle or motorcycle (scooter). The place of tuning works shall be the location (site) of a person, performing such works.

2. After the transition period identified in part one of the present Article expires, Ukraine shall apply the rules of origin established by sub-paragraphs "a" and "c" of Article 3 "Disciplines after the Transition Period" of part II "Disciplines to Govern the Application of Rules of Origin" of the Agreement on Rules of Origin in the framework of the GATT.

3. Clause "c" of part two of Article 5 shall be stated in the following wording:

"c) the list of objects and capacities for production of motor vehicles, motorcycles, as well as accompanying component parts and spare parts with identification of the deadline for putting such objects and capacities into operation and achieving projected output with the help of such objects and capacities".

4. Sub-clause 2 of clause 3 of Article 7 "Final Provisions" shall be deleted.

II. This Law shall come into force from the day of its publication.

The President of Ukraine

V. YUSCHENKO

Kyiv