



P A D C O

Social Sector Reform in Ukraine

Contract No. 121-C-00-00-00834-00

Prepared for
USAID

Prepared by
PADCO, Inc.



Funds for production of this report were provided by the
United States Agency for International Development

**List of Principal Normative Documents
of Ukraine On Housing And Communal Services
February - July, 1999**

No	Document	Who is affected	What is new or changed (key issues)
1.	<p>CM Decree No 233 dated February 22, 1999 "On Installing Household Gas Meters of Domestic Make for Respite Payments"</p> <p>Came into effect on February 22, 1999.</p>	Population	<p>The National Joint-Stock Company "Naftagas of Ukraine" has been granted permission to use funds equivalent to \$90 million for purchasing and installing household gas meters of domestic make for respite payments. These funds owned by the Company are to come from the sale of natural gas as payment for transit of gas through pipelines across Ukraine.</p>
2.	<p>Decree of the Presidential Decree No 219/99 dated February 26, 1999, "On Principal Directions of Competitive Policy for 1999 - 2000 and Measures for their Implementation".</p> <p>Came into effect on March 13, 1999.</p>		<p>1. To be done in the housing and communal economy:</p> <ul style="list-style-type: none"> • implement competitiveness for maintaining and repairing housing stock, servicing and upkeeping recreation areas and population centers; • work out (deadline - May 1, 1999) regulations for using heat power, as well as normative acts to establish the procedure for providing centralized supplies of gas, heat, water and sewage, having revised the groundness of permissible losses for these services; • provide for installing certified-in-Ukraine housing and apartment meters for gas, heat, cold and hot water; • ensure that bills are made by meter readings. Work out uniform rules for installing, servicing and using power and water meters; • transfer heat electric mains, district and departmental boilers with pipelines to users' lead-ins into the ownership of territorial community; • incorporate, if technical characteristics allow, heating networks of boilers for heating and production purposes with heating electric mains and heating boilers; • promote creation of city heat-producing enterprises of different form of ownership alternative to existing ones in order to introduce autonomous, non-traditional and highly-effective sources of heat. <p>2. Banking</p> <p>Complete implementing competitiveness among banks of Ukraine for receiving housing and communal payments from population using computer systems.</p>

3.	<p>CM Decree No 280 dated March 1, 1999 "On Approving Standard Regulations for Raion Subsidy Office, Raion Subsidy Office of State Administrations in the Cities of Kyiv and Sevastopol".</p> <p>Came into effect on March 1, 1999.</p>		<p>Raion subsidy office, raion subsidy office of state administrations in the cities of Kyiv and Sevastopol is formed by the head of the local state administration and is subordinated to him and to the oblast department for social protection and respectively to the state administrations in the cities of Kyiv and Sevastopol.</p> <p>Key objectives of the raion subsidy office are:</p> <ul style="list-style-type: none"> • granting subsidies to low-income people; • supervising the targeted use of budget funds earmarked for subsidies; • ensuring timely payments to enterprises providing housing and communal services, selling condensed, solid and stove (liquid) fuel for granted housing subsidies. <p>The raion subsidy office is eligible for receiving by established procedure information necessary to execute its duties from other offices of state administration, self-government agencies, as well as free-of-charge statistics from the local statistical department.</p>
4.	<p>Resolution of the Constitutional Court of Ukraine No 2-pn/99 dated March 2, 1999 on the President's Appeal as to the conformity of the Constitution of Ukraine to the Law "On Temporary Ban to Raise Prices and Tariffs for Housing, Communal and Public Transport Services in Ukraine".</p> <p>(Communal Services Case).</p>		<p>The law "On Temporary Ban to Raise Prices and Tariffs for Housing, Communal and Public Transport Services" No 51-14 dated July 23, 1998, was acknowledged to contradict the Constitution of Ukraine.</p> <p>Passing this Law the Supreme Rada exceeded its responsibilities and interfered into powers of executive and self-government agencies, thus, violated Articles 6 and 19 of the Constitution of Ukraine.</p>
5.	<p>Presidential Decree No 234/99 dated March 6, 1999 "On Amendments to Presidential Decree No 857 dated August 7, 1998".</p> <p>Became invalid from July 25, 1999 when the Law "On Amendments to Law "On Value Added Tax" No 714-XIV dated July 2, 1999 came into effect.</p>		<p>List of enterprises which, until January 1, 2000, shall define dates when tax liabilities and eligibility for tax credit arise by dates when money comes and written off was enlarged. Now it includes enterprises which buy or sell coal, coal briquettes, heat and electric power, gas, sewage services, elevator servicing, anti-fire services in housing stock, as well as services related to the use of housing (within rental amount).</p>
6.	<p>Resolution of the National Commission for power Engineering No 309 dated March 10, 1999 "On Tariffs for Electricity to Population and Settlements" registered in the Ministry of Justice, No 151/3444 dated March 10, 1999.</p> <p>Came into effect on April 1, 1999.</p>	Population	<p>From April 1, 1999, the tariffs for electricity to population were increased. For urban areas the tariff is 13 kopecks for 1 kwh (before it was 11 kopecks), for rural - 12 kopecks (before it was 10 kopecks), for houses, including rural areas, which are equipped with electrostoves and electroheaters the tariff is 10 kopecks.</p> <p>The procedure for using new tariffs was established and approved.</p>

7.	<p>Resolution of the National Commission for Power Engineering No 310 dated March 10, 1999 "On Retail Prices for Natural Gas Used by Population for Communal and Household Needs", registered in the Ministry of Justice, No 153/3446 dated March 10, 1999.</p> <p>Came into effect on April 1, 1999.</p>	Population	<p>Form April 1, 1999, the retail prices for gas to population for communal and household needs increased up to 19 kopecks per cubic meter (17,5 kopecks if gas meter is installed). Before it was 15.4 and 13.6 kopecks respectively.</p>
8.	<p>CM Decree No 358 dated March 13, 1999 "On Final Results of the National Economic Activity for 1998".</p> <p>Came into effect on March 13, 1999.</p>		<p>New procedure for providing natural gas to national economy and population was introduced in 1998. First gas selling auctions were held. Though the problem of non-payments was not radically solved, payments for gas increased from 40 to 42.6%.</p> <p>The debt for consumed heat and electric power in 1998 increased by 74.2% and reached 5.4 billion Hrn. which is more than its production for six months. The debt of industrial consumers for consumed gas to the joint-stock company "Ukrasprom" was 707.2 million Hrn. by the beginning of 1999. The debt of budget organizations and enterprises, as well as population, to gas providers reached 2.6 billion Hrn.</p> <p>The State Program for producing and installing household gas meters lacks considerably behind. By the beginning of 1999 only 25% of meters stipulated in the Program was installed. In the cities of Kyiv and Sevastopol, as well as in the oblasts of Donetsk, Lugansk, Zaporije and Kharkiv the percent is even less - from 6 to 17%.</p> <p>Oblast state administrations were instructed to find reserves in March - April 1999 to cut down the prime cost of housing and communal services, to improve the system of tariffs in order to ensure their economic feasibility and eliminate any discrimination in the tariff policy towards industrial consumers in the transition to a full cost recovery of the services by population.</p>
9.	<p>Law No 495-XIV dated March 17, 1999 "On Amendments to the Law of Ukraine "On Prices and Price Formation".</p> <p>Came into effect on June 8, 1999.</p>		<p>The Law prohibit to increase prices and tariffs for housing, communal and transport services until debts for salaries and wages, stipends pensions and other social benefits are covered.</p> <p>Prices and tariffs for housing, communal (including electric power and natural gas for communal household needs of population), transport and communication services shall be fixed by the Cabinet of Ministers in agreement with the Supreme Rada.</p> <p>The valid tariffs are those fixed on June 1, 1998.</p>

10.	<p>Supreme Rada Decree No 512-XIV "On Housing and Communal Payments by Population of Ukraine". Came into effect on April 10, 1999.</p>		<p>To ensure constitutional rights of citizens and not let their contents and scope be diminished (Article 22 and 48 of the Constitution of Ukraine) a fixed payment for housing and communal services was set up. It cannot be more than 15% of the aggregated family income actually received. The aggregated family income and its share for housing and communal services is established after declaring incomes all household members.</p> <p>The Cabinet of Ministers, local administration and self-government agencies, enterprises and organizations irrespective of the form of ownership are not allowed to disconnect housing from power, heat and gas mains, as well as to evict people if they didn't pay for housing and communal services due to unpaid salaries, wages or pensions, and if the subsidy was not granted.</p>
11.	<p>Resolution of the National Commission for Power Engineering No 337 "On Approving Maximum Wholesale Prices for Natural Gas to Population and Tariffs for Transportation and Distribution of Natural gas Among Consumers in Ukraine". Came into effect on April 1, 1999.</p>		<p>The maximum wholesale price for gas for household needs and individual heating at a rate of 185 Hrn. for 1000 m3, including VAT, and 169.4 Hrn. per 1000m3 for the state-owned communal enterprise "Kyivgas" was fixed.</p>
12.	<p>Loan Agreement (Kyiv Centralized Heating Rehabilitation and Development Project) Between Ukraine and the World Bank for Reconstruction and Development, signed on October 14, 1998. The Agreement was ratified by Law of Ukraine No 542-XIV, dated March 22, 1999.</p>		<p>Ukraine is granted a loan of US \$200 mln. for the project to be completed on December 31, 2004, to:</p> <ul style="list-style-type: none"> • reconstruct existing technologies and introduce new technologies and materials into centralized heating system in the city of Kyiv; • develop theory and practice of recovering production outlays, promote measures to improve the organizational structure and commercial characteristics of Kyivenergo and Kyivzyloteplokumunenergo, promote privatizing centralized heat-providing services.
13.	<p>CM Decree No 441 dated March 24, 1999 "On Urgent Measures to Stabilize Financial Status of Enterprises in Power Engineering Industry (with amendments made pursuant to CM Decree No 881 dated May 24, 1999). "The Decree is about the procedure for supplying power to consumers.) Came into effect on March 24, 1999.</p>		<p>The National Commission for Power Engineering and Ministry for Energy are entrusted to develop, within a month, a procedure prohibiting providers of power by non-regulated prices to supply power to population and to settle debts of household consumers by offsetting.</p> <p>Local power providers together with local administration and supervised by respective representations of the Derzenergonaglyad (State Committee for Power Supervision) shall establish the consumption volume for principal consumers and population.</p>

14.	Resolution of the National Commission for Power Engineering No 390 dated March 25, 1999 "On Payment for Electric Power to Population" (with amendments made pursuant to Resolution of the National Commission for Power Engineering No 671 dated May 24, 1999.)	Population	Population is to pay for consumed power exclusively with money except for cases mentioned in other legal acts. Payments to the wholesale market of electric power of Ukraine by license-holders selling power by regulated prices and paid by population shall be made exclusively in a monetary form.
15.	Law No 586-XIV dated April 9, 1999 "On Local State Administrations". Came into effect on May 12, 1999.		<p>In the area of housing and communal economy the local state administration has the following authorities:</p> <ul style="list-style-type: none"> • controlling on respective territories the observance of rules for providing transportation and communal services, of laws on consumer rights (item 8, Art. 16); • financing the development of housing and communal enterprises (item 4, Art. 18); • incorporating budget funds, for common interests of territorial community and on a contractual basis, with funds of enterprises, organizations and individuals for construction, development, reconstruction, repairs, maintenance of transportation means, heat, water, gas and power networks, their social infrastructure (item 5, Art. 18); • regulating prices and tariffs of works and services provided by housing and communal enterprises, as well as fixing consumption norms and controlling the observance of these norms (item 7, Art. 18); • providing for the provision of services to population by Zchecks, communication enterprises, TV, radio and transport companies, irrespective of the forms of ownership (item 2, Art. 20); • organizing the attestation of structures, certification of products, works and services delivered by housing and communal enterprises (item 3, Art. 20); • providing for granting housing subsidies to population (item 5, Art. 23); • providing for the implementation of government policy for promoting small business, assisting enterprises which provide housing and communal services to population (item 5, Art. 19).

16.	<p>CM Decree No 594 dated April 15, 1999 "On Ensuring Discipline for Deliveries of Gas and Payments for Consumed Gas (with amendments made due to CM Decrees No 893, May 19, 1999, and No 875, May 21, 1999). Came into effect on April 15, 1999.</p>		<p>Starting from May 1 till the end of the year the National Joint-Stock Company "Naftagas of Ukraine" is to be the supplier of gas to population, budget organizations, communal heat power enterprises and boilers providing heat to population and social entities. New systems of payment for gas to communal enterprises are introduced. Now proceeds depend on the cost of consumed gas. The distribution of proceeds is to be done by local administration.</p> <p>The Ministry of Labor, Ministry of Economy, Ministry of Finance, State Tax Administration, Derzbud and National Joint-Stock Company "Naftagas of Ukraine" are entrusted, within a month period, to study the possibility and feasibility of introducing subsidy certificates for reimbursing discounts and subsidies granted to population for gas and communal services.</p>
17.	<p>CM Decree No 620 dated April 19, 1999 "On Final Results of the 1998 State Budget of Ukraine and Measures to Timely Ensure Formation of Indicators for Aggregated and State Budgets of Ukraine for 2000". Came into effect on April 19, 1999.</p>		<p>Oblast state administrations are instructed to tighten control for correct formation and use of tariffs for housing and communal services, solid fuel, to undertake measures for saving power and natural resources (coal, gas, electropower, water, etc.) without ungrounded price increase of these services under full recovery of their costs.</p>
18.	<p>Letter of the State Tax Administration of Ukraine No 2302/6/15 - 1116 dated April 21, 1999 "On Non-Payment to the 1999 State Budget of Ukraine of 10% of Depreciation Charges by Housing and Communal Enterprises".</p>		<p>By Expenditure Composition for housing enterprises expenses for maintaining houses and adjacent areas included into the rental do not include depreciation charges (CM Decree No 939 dated June 22, 1998). Therefore, housing and communal enterprises (including departmental ones) do not calculate depreciation charges for housing stock and use this money for target use, that is do not pay 10% of depreciation charges to the state budget.</p>
19.	<p>CM Decree No 775 dated May 10, 1999, "On Implementing Article 45 of the Law "On the 1999 State Budget of Ukraine". Came into effect on May 10, 1999.</p>		<p>Pursuant to Art. 45 of the Law "On the 1999 State Budget of Ukraine", local budgets are granted subventions (5.2 billion Hrn.) to pay for power consumed by enterprises funded from local budget, as well as to pay power suppliers for discounts and subsidies granted to population.</p> <p>The State Treasury is entrusted to provide these subventions in the form of treasury bills through the state enterprise "Ukrspetsfin" or its representatives.</p>
20.	<p>Presidential Decree No 492/99 dated May 11, 1999 "On Additional Measures to Cover Population Debts for Housing and Communal Services". Came into effect on May 13, 1999.</p>		<p>Housing and communal debts of employees from budget organizations, privates, officers and people under contract with interior forces, servicemen, pensioners and recipients of social benefits, by their written consent, can be paid against their salary or wage debt, pension or benefit debt payable from budget of any level.</p>

21.	<p>Resolution of the National Commission for Power Engineering No 644 dated May 12, 1999 "On Approving Temporary Procedure for Formation of Retail Tariff for Electropower for Consumers (except household consumers), License-holders for Power Supplies by Regulated Tariff".</p>		<p>The National Commission for Power Engineering is responsible for fixing tariff for power purchased at the Wholesale Power Market by power supplying companies (for each company). The tariff is the difference between the anticipated wholesale market price and the amount of subsidy certificates for privileged categories of population (for whom sources of funding are not established), agricultural producers and consumers and for population. This tariff is to reimburse company's losses for supplying power to certain categories with discount.</p>
22.	<p>CM Decree No 822 dated May 14, 1999 "On Improving the Procedure for Assigning and Paying Subsidies to Population for Reimbursing Expenses for Housing and Communal Services, Condensed Gas, Solid and Stove Household (Liquid) Fuel)". Came into effect on May 27, 1999.</p>		<p>The following amendments were introduced, to CM Decree No 1156 dated July 27, 1998:</p> <ol style="list-style-type: none"> 1. Payment for housing and communal services within consumption norms and amount of eligible subsidy are to be established for each type of services separately proportionally to its share in the total cost of these services. If during the subsidy validity period the tariff for certain type of services is changed than the recalculation of payment for this type of services within consumption norms and subsidy is done only for this type of services. 2. If water, heat, gas and power are metered then when receiving subsidy for the next period the payment for housing and communal services (20 or 15% of the average monthly aggregated family income) decreases by 1% (but not more than 5%) for every 10%-decrease of the total cost of services consumed in the previous period against their cost by consumption norms. <p>The following changes and amendments were introduced to CM Decree No 848 dated October 21, 1995:</p> <ol style="list-style-type: none"> 1. If housing is occupied by legal (with propiska) non-working pensioners or other not-able-to-work persons then by decision of raion state administration and executive agencies these persons can be exempt from paying the established share for solid or stove household (liquid) fuel together with respective decrease of consumption norm for this fuel. 2. The aggregated income of family eligible for subsidy includes: <ul style="list-style-type: none"> • income from land parcel assigned for growing vegetables, hay-making and pasture; • income of persons who are engaged in business and pay a fixed tax. The income is based on the profit tax and is calculated by the progressive tax scale; • indexable income and compensation for losses due to untimely payment of salaries and wages. 3. If the cost of consumed housing and communal services is less than the mandatory share than the services are paid by their actual cost.

23.	<p>Instruction of the President No 99/99-pn dated May 17, 1999 "On Additional Measures for Stabilizing Social and Economic Status of Ukraine".</p> <p>Came into effect on May 17, 1999.</p>		<p>In order to cut down budget outlays, in particular, oblast state administrations were instructed:</p> <ul style="list-style-type: none"> • to ensure (deadline - July 1, 1999) transition to the full cost recovery of housing and communal services, fuel, power and gas by population and reduce the level of cross subsidizing by uniform tariffs; • to take necessary measure (during II quarter of 1999) for ensuring gas payments from population at a rate of 80%.
24.	<p>Supreme Rada Decree No 672-XIV dated May 19, 1999 "On Report About the Fulfillment of the State Budget of Ukraine for the First Quarter of 1999".</p> <p>Came into effect on June 12, 1999.</p>		<p>CM was entrusted to ensure the implementation of Articles 7 and 45 of the Law "On the 1999 State Budget of Ukraine" about granting subventions for paying power suppliers for subsidies and discounts.</p>
25.	<p>CM Decree No 845 dated May 19, 1999 "On Approving Measures to Improve Financial Status of Electropower Industry of Ukraine for 1999-2000".</p> <p>Came into effect on May 19, 1999.</p>		<p>The Ministry of Economy was entrusted to work out a draft law on canceling discounts for consumed electropower by profession criteria and introduce power consumption limits for categories of people eligible for discounts.</p> <p>Under market power tariff formation the National Commission for Power Engineering was entrusted to ensure uniform power tariff for population across Ukraine.</p>
26.	<p>CM Decree No 878 dated May 22, 1999, "On Prices for Condensed Gas for Household Needs".</p> <p>Came into effect on May 20, 1999.</p>	Population	<p>Since May 20, 1999, the maximum retail price for condensed gas for household needs supplied by open joint-stock partnerships of the National Joint-Stock Company "Naftagas of Ukraine" has been fixed at a rate of 10 Hrn. for a gas container of 50 liters (21 kg of condensed gas), including transportation costs and VAT. The Company's losses due to the retail price decrease are not subject to compensation.</p>
27.	<p>Law No 714-XIV dated June 2, 1999, "On Amendments to the Law of Ukraine "On the Value Added Tax".</p> <p>This Law came into effect on June 25, 1999, and was to be used starting from the first tax period of its validity.</p>		<p>Item 11.11 of the Law "On the Value Added Tax" was amended with the procedure for establishing dates when VAT liabilities and eligibility for tax credit arise. This concerns enterprises selling and/or buying coal, coal briquettes, heat and electricity, gas, sewage services, technical servicing of elevators and anti-fire systems in housing stock, as well as services to physical entities who are not registered as VAT payers for using housing (for which rental is paid), telephone, TV and radio networks, security. Until January 1, 2001 these enterprises will define dates when tax liabilities and eligibility for tax credit arise by the dates when money comes or written off or other compensation of the cost of these services.</p> <p>Starting from January 1, 2001, this procedure is valid for selling the mentioned services to physical entities not registered as VAT payers and budget enterprises.</p>

28.	<p>CM Decree No 949 dated June 3, 1999, "On Preparing Branches of the National Economy for Stable Work During the 1999/2000 Autumn-Winter Period".</p> <p>Came into effect on June 3, 1999.</p>		<p>Oblast state administrations are instructed to take measures for paying debts to power-supplying companies, housing and communal enterprises for granted subsidies for electricity, heat, housing and communal services.</p> <p>Self-government agencies are recommended to foresee funds in local budgets for acquisition in full scope of gas, heat and electricity for budget enterprises and organizations, as well as to reimburse subsidies and discounts granted to population for housing and communal services.</p>
29.	<p>Decision of the Constitutional Court of Ukraine No 5-pn/99 dated June 3, 1999, on the Constitutional Request Submitted by the Security Service, State Committee for Oil, Gas and Oil Processing Industry, Ministry of Finance for Official Clarification of Item 6, Article 12 of the Law of Ukraine "On Social and Legal Protection of Servicemen and Their Household Members", of parts 4 and 5 of Article 22, Law of Ukraine "On Militia", part 6, Article 22, of the Law of Ukraine "On Fire Security" (clarification of the term "household member").</p>	<p>Household members of servicemen, militiamen, firemen.</p>	<p>1. Household members of servicemen, militiamen and firemen eligible for housing and communal discounts are defined by the following characteristics:</p> <ul style="list-style-type: none"> • blood (family) relations or conjugal ties with serviceman, militiaman, fireman; • permanently residing with him; • keeping common household. <p>Differential approach of using these characteristics is to be applied for establishing eligibility of household member for discounts.</p> <p>Household members of serviceman, militiaman, fireman may include:</p> <ul style="list-style-type: none"> • his (her) spouse, their children and parents; • close relatives (direct brothers, sisters, grandchildren, grandfather, grandmother); • other relatives or persons with no blood ties (cousins, nieces, son-in-law, daughter-in-law, stepfather, stepmother; guardians, care-takers, stepsons, stepdaughters, etc.). <p>2. Household member is also a person (item 1) who is fully dependent on a servicemen or assisted by him and this assistance is the permanent and main source of the person's existence. This is a person without his own income or a person whose pension, stipend or other aggregated monthly income is not above the official poverty level (or subsistence level when it is legally approved).</p>
30.	<p>CM Decree No 975 dated June 4, 1999 "On Payments for Consumed Electrical and Heat Power".</p> <p>Came into effect on June 4, 1999.</p>		<p>The Ministry for Energy, Ministry of Finance, other central and local executive agencies, power-supplying companies of all forms of ownership and related enterprises are obliged to provide for centralized payments for consumed power as mentioned in decrees of the CM for 1996-99 and in the agreement between the Ministry for Energy, Ministry of Labor and Pension Fund on covering the debts to the latter. There are three ways for making mutual payments:</p> <ul style="list-style-type: none"> • writing off respective debit and credit debts upon the receipt of notice from the Ministry for Energy; • making payments as mentioned in signed protocols between departments (Ministries); • making payments by treasury bills through the state owned enterprise "Ukrspetsfin" without fees for its services.

31.	<p>CM Decree No 993 dated June 8, 1999 "On Realization of Presidential Decree No 492 dated May 11, 1999 "On Additional Measures for Covering Population Debts for Housing and Communal Services".</p> <p>Came into effect on June 8, 1999.</p>	Workers of budget enterprises, pensioners, recipients of social benefits.	<p>The Decree approves the Procedure for mutual payments to cover debts as of April 1, 1999, for housing and communal services, gas and electricity of workers from budget organizations, interior office, servicemen, pensioners and recipients of social benefits against their debts in salary or wage, pension and social benefits payable from the state budget.</p> <p>Central executive agencies and state administrations are instructed to ensure that these mutual payments are made before July 11, 1999.</p> <p>Workers of budget enterprises have to submit written application for mutual payments to their budget enterprises, pensioners and recipients of social benefits submit applications to the Savings Bank. Data from budget enterprises and organizations, as well as from the Savings Bank, are submitted to the State Treasury which settles debts for housing and communal services by covering underpayment (no matter when it arose) to the provider of communal services, gas, electricity from proceeds to the state budget. If enterprise has no underpayment to the state budget or its underpayment is less than that recorded by the State Treasury then the latter has to reimburse the debt from the state budget.</p>
32.	<p>Presidential Decree No 648/99 dated June 15, 1999 "On Speeding Up the Transfer of State-Owned Social Infrastructure into Communal Ownership".</p>		<p>To be transferred from state ownership into the ownership of territorial community, together with housing stock, are outer power, heat, gas, water and sewage networks, as well as facilities assigned to maintain this stock (boilers, sewage and water pipelines, attached premises, equipment, etc.).</p>
33.	<p>CM Decree No 1101 dated June 22, 1999 "On Preliminary List of Departments, Offices and Other Structural Units in Oblast, Raion State Administrations, Sevastopol City and Raion State Administrations".</p> <p>Came into effect on June 22, 1999.</p> <p>(See also CM Decree No 1306 dated July 22, 1999).</p>		<p>The Decree approves the preliminary list of structural units in the state administration of different levels.</p> <p>The oblast state administration has to include:</p> <ul style="list-style-type: none"> • Housing and communal department; • Social protection department; • Labor management and employment department. <p>The raion state administration includes:</p> <ul style="list-style-type: none"> • Labor management and social protection department; • Subsidy office; • Office for urban development, architecture, housing and communal economy.

34.	<p>Presidential Decree No 721/99 dated June 27, 1999 "On Amendments to the Presidential Decree No 857 dated August 7, 1998.</p> <p>Did not come into effect because Law No 946-XIV dated July 15, 1999 "On Amendments to Item 11.11, Article 11, Law of Ukraine "On the Value Added Tax" was passed. It came into effect on August 12, 1999.</p>		<p>The wording of Article 10 of Law No 857 dated August 7, 1998 "On Some Changes in Taxation" was amended. Until January 1, 2000, enterprises buying or selling services for transportation of gas shall define dates when tax liabilities and eligibility for tax credit arise by dates when money comes and written off. For enterprises transporting gas to population and budget organizations this procedure will be valid till January 1, 2003. The previous wording of Article 10 stipulated such special procedure for defining dates of emergence of tax liabilities and eligibility for tax credit only for enterprises selling or buying coal, coal briquettes, heat, electricity, gas, water and sewage services, technical servicing of elevators and anti-fire systems in housing stock, as well as other services to population related to the use of housing (within rental amount).</p>
35	<p>Supreme Rada Decree No 795-XIV dated July, 1999 " On Principal Directions of the 2000 Budget Policy (Budget Resolution)".</p> <p>Came into effect on July 27, 1999.</p>		<p>The Decree approved the principal directions of the budget policy for 2000. Zero VAT rate for gas, coal and power was preserved. The government is planning to continue paying off debts to people for their devaluated savings in the Savings Bank and former Ukrderstrah. Certain amounts of these savings can be used to cover debts of population for housing and communal services.</p> <p>When forming local budgets, local self-government agencies:</p> <ol style="list-style-type: none"> 1) have authorities delegated to them by the government to subsidize housing and communal enterprises; 2) have their own authorities to provide funds for: <ul style="list-style-type: none"> • housing and communal activity ; • capital repairs of housing stock owned by local administration; • heat networks; • water and sewage; • betterment of urban areas, settlements and villages; • introducing meters for measuring and regulating consumption of water, electricity, heat and gas for budget enterprises; • collection and transportation of garbage; • supporting other budget housing and communal enterprises.

36	<p>Clarification from the Chief Department of State Treasury dated July 1, 1999, on the Procedure for mutual settlement of debts as of April 1, 1999, for housing and communal services, gas and electricity by workers of budget organizations, privates, officers and employed-by-contract persons of interior forces, servicemen, pensioners and recipients of social benefits against debts to them in salary, wage, pension and social benefits payable from state budget as stipulated in CM Decree No 993 dated June 8, 1999.</p>		<p>The procedure for mutual settlement of debts was clarified. In particular, the Chief Department of State Treasury is to generalize data on salaries and wages, social payments and pensions, as well as taxes and deductions, and prepares resolution, with consent of payment recipients (Pension Fund, Social Insurance Fund, Employment Promotion Fund, etc.), on making mutual settlement by the issue of treasury bills on a discount, non-payable basis or through other instruments of budget realization.</p>
37	<p>Law No 946-XIV dated July 15, 1999 "On Amendments to Item 11.11, Article 11, Law of Ukraine "On the Value Added Tax". Came into effect on August 12, 1999. The Law was due to the Presidential Decree No 721/99 dated June 27, 1999.</p>		<p>Until January 1, 2000, enterprises selling or buying gas transportation services shall define dates when tax liabilities and eligibility for tax credit arise by dates when money comes and written-off. Until January 1, 2003, this procedure is valid for gas transportation services to population and budget organizations.</p>

38	<p>CM Decree No 1357 dated July 26, 1999 "On Approving the Rules for Using Electropower by Population"</p>		<p>The Decree approved the rules for using electropower by population. In particular the rules say:</p> <ol style="list-style-type: none"> 1. Consumption of electropower is done on a contractual basis between consumer and power provider. The contract is prepared by the provider on a basis of the Standard Contract for Using Electropower (Supplement No 1) and is concluded for 3 years. If a multi-apartment house, the contract is concluded with each tenant (owner). 2. The tenant (owner) is responsible for protection of power meter installed in his apartment, as well as for the seal on it. The owner of the house is responsible for seals and meters installed outside apartments, on stairs. 3. Calculation of payments for consumed power is done by existing tariffs and by actual meter readings. Payments are made by: <ul style="list-style-type: none"> • payment books; • bills prepared by provider; • advance payment card. In case of tariff change, the payment is made by tariffs which were in effect in the period of debt. If consumed power is not paid for, the power provider after warning to the consumer may disconnect him from the main. If several household members residing together are entitled to payment discounts for power only one household member is granted discount. Consumer eligible for several discounts may choose the biggest one. 4. In case of temporary stoppage of power supply due to the provider's fault he is charged 5-fold cost of undersupplied power. If quality of power is low than that mentioned in the contract, the provider is charged 25% of power value.
39	<p>CM Decree No 1306 dated July 22, 1999 "On Tender List of Departments, Offices and Other Structural Units in the Kyiv City and Raion State Administration" Came into effect on July 22, 1999.</p>		<p>Tender list of structural units in the state administration was approved. In particular, the Kyiv city state administration includes:</p> <ul style="list-style-type: none"> • Chief department for social protection; • Chief department for housing and communal economy; • Department for communal economy. <p>The Kyiv raion state administration includes:</p> <ul style="list-style-type: none"> • Department for social protection; • Housing and communal office; • Subsidy office.

40	<p>CM Decree No 1379 dated July 29, 1999 "On Approving the List of Paid Services That Can Be Provided by Budget Enterprises of Committee for Water Management to Legal and Physical Entities"</p> <p>Came into effect on July 29, 1999.</p>		<p>In particular, the list approved by this Decree includes services for maintaining departmental housing with receiving communal payments and rentals (item 15 of the list).</p>
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