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Resolution on Application of Law on Ownership, Utilization of Farmland

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[Council of Ministers Resolution No. 74 of 25 April 1991: "Regulation for the Application of the Law on Ownership and the Utilization of Farmland"]

[Text]

Chapter 1

General Stipulations

Article 1. (1) In the sense of the Law on the Ownership and Utilization of Farmland (ZSPZZ), farmland is land to be used for agricultural production and that:

1. Is not located within the construction limits of settlements and industrial, resort, and tourist complexes and other settlement formations established on the basis of general and detailed urban construction plans and circumferential areas;

2. Is not included in the forest fund as per Article 3, paragraph 2, of the Law on Forests;

3. Does not include buildings of industrial or other economic enterprises, rest or health establishments, religious communities, or other public organizations, or constitute yards or warehousing premises of such buildings;

4. Is not covered by strip mines and quarries, and power, irrigation, transportation, and other public-use systems or is a part of such installations or else of natural water currents and aquatic areas;

(2) Farmsteads of labor cooperative farms (TKZS's) and state farms (DZS's) or parts of them, located outside the construction limits of settlements, shall be considered farmland unless they are built up and suitable for agricultural production.

Article 2. (1) The state, the municipalities, citizens, and juridical persons may acquire and have ownership rights over farmland.

(2) The following have no right to own farmland:

1. Political parties, organizations, movements, and coalitions pursuing political objectives;

2. Foreign countries, foreign juridical persons, and juridical persons with foreign participation.

(3) Foreign citizens and Bulgarian citizens who are permanent residents abroad and who acquire farmland by inheritance must, by law, transfer it to the state, to municipalities, to private citizens, or to juridical persons of their choice within three years after probate. Should they fail to transfer such land within the stipulated time, the land will be bought out within a period of three months by the municipal people's council at prices set by the Council of Ministers. Should the municipal people's council refuse to purchase the land or the term have expired, the land shall be purchased by the state.

(4) Foreign juridical persons, foreign citizens, and Bulgarian citizens who are permanent residents abroad may acquire the right to use as well as other limited material rights on farmland by permission of the National Land Council.

Article 3. The owner must use the farmland exclusively for the production of vegetable and animal goods. Farmland under forests shall be used for the production of vegetal, vegetal-timber, and animal husbandry goods.

Article 4. (1) Owners and users of farmland must observe the fire-prevention rules and sanitation-hygiene and ecological standards while engaging in agricultural activities, and the instructions issued by the specialized authorities.

(2) Owners and users must:

1. Protect the farmland from erosion, swamping, salinization, pollution, and other harm; restore affected soils; and upgrade soil fertility;

2. Use exclusively the types of chemical fertilizers and preparations approved by the competent state authorities;

3. Use for irrigation purposes waters that do not contain harmful admixtures or refuse above admissible standards.

(3) Owners and users must ensure the implementation of measures financed by the state for the building of installations for the protection of the land from erosion and other processes that harm the physical integrity and productivity of the soil.

Article 5. Owners and users of farmland on whose lots equipment or installations for general use and geodesic and boundary markers are located or that cross them must protect them and not damage them while using the land, and secure access to them for use by other individuals for purposes of preventive examinations or damage repairs.

Article 6. (1) Equipment and installations that have been written off or for which the need no longer exists shall be removed by the owners after harvesting the crop. They shall be removed immediately if they create an immediate threat to livestock or to the health and property of the owner or user. In such cases, the owner of the installation or the equipment will pay damages for any harm that was caused, or for lost opportunities.

(2) If equipment and installations have not been removed within the period stipulated in paragraph 1, they may be removed by the owner or user of the land at the expense of the owners.

(3) Following the removal of the equipment and installations, the owner of the lot may be given priority in

acquiring the right of ownership of the thus-released farmland at prices set by the Council of Ministers. If the thus-released land borders different lots, the right of ownership on this land will be auctioned off to the owners of such lots.

Article 7. (1) The owner shall pay the tax as per Article 5 of the ZSPZZ unless he uses the farmland in accordance with the stipulations of Article 3 for three consecutive calendar years. Once the right to use has been established, the tax shall be owed by the user.

(2) The nonutilization of farmland for its purpose shall be determined on the basis of a protocol drawn up by an official of the municipal land commission, which will investigate no less than once annually. The protocol shall be drawn up in the presence of the owner or user or their representative and at least one witness. If, after being summoned, the owner or user fails to appear or send a representative, the protocol shall be drawn up in the presence of at least two witnesses.

(3) The protocol shall include the following:

1. The full name and position of the person who draws up the protocol;

2. The date and place of the drawing up of the protocol;

3. A description of the facts;

4. The full name (the appellation) and the address (seat) of the owner or user;

5. The names and addresses of the witnesses;

6. Explanations or objections on the part of the owner or user or their representative;

7. The signatures of the official, the owner, or user or his representative, and of the witnesses.

(4) The protocol shall be kept by the municipal land commission. A copy of the protocol shall be issued to the owner or user in accordance with the Civil Procedure Code. Should they disagree with the facts listed in a protocol, interested individuals may plead their claims in court.

(5) After three consecutive years, the copies of the protocols shall be sent to the financial service of the respective municipal people's council.

(6) The amount of the taxes per paragraph 1 shall be determined from an evaluation based on market prices for the average yield per decare for the area of the municipality or for the respective category land, obtained over the three previous years from the most frequently planted crops.

(7) The tax will be determined by the financial service of the municipal people's council on the basis of the protocols as per paragraph 2, and collected by 31 March of the fourth year.

Chapter 2

Citizens' Land

Article 8. (1) If, after the restoration of the right of ownership of farmland, it is determined that a household owns land the size of which exceeds the limits stipulated in Article 6 of the ZSPZZ, the owners must dispose of the amount of land exceeding the upper limits within two years from the restoration of the rights of all members of the household.

(2) The time as per paragraph 1 begins to run on the day on which the resolution of the municipal land commission or the court, as per Article 27 or, respectively, Article 28, is enacted.

(3) The procedure as per paragraph 1 shall apply also when the limits as per Article 6 of the ZSPZZ are exceeded, for land owned by a single household or inherited or acquired by any other means.

(4) In the case of failure to observe the deadline as per paragraph 1, the amount of land exceeding the stipulated amount shall be purchased by the municipality, at prices set by the Council of Ministers, within three months or, in the case of refusal or after the expiration of the deadline, by the state.

Article 9. Should a household own farmland in intensive and nonintensive areas, the maximally admissible amounts as per Article 6 of the ZSPZZ shall be determined as per the following ratios:

1. One decare of farmland in an intensive area equals 1.5 decares in a nonintensive area;

2. One decare of farmland in a nonintensive area is the equivalent of 0.67 decares in an intensive area.

Article 10. In disposing part of the farm property or in its division, the actual portions may not be under three decares for fields, two decares for meadows, and one decare for vineyards or orchards.

Article 11. Owners of land exceeding 100 decares or, respectively, 30 or 50 decares, that was condemned as per Article 8, paragraphs 2 and 3, of the Law on Labor Land Ownership of 9 April 1946, and who were not compensated in accordance with the stipulations of Article 14 and following of the same law, shall be compensated on their request as follows:

1. With land from the state or the municipal land fund of the land of the settlement in which the land was located;

2. With land from the state land fund in the land areas of other settlements, with their agreement;

3. With cash.

Article 12. (1) In the case of individuals as per Article 10, paragraph 8, of the ZSPZZ, the three-year term for transferring ownership begins on the day on which the

resolution of the municipal land commission or the court, as per Articles 27, respectively 28, is enacted.

(2) In the case of violation of the deadline as per paragraph 1, the farmland shall be purchased in accordance with the stipulations of Article 8, paragraph 4.

Article 13. (1) A petition in two copies must be submitted for the restoration of the right of ownership of farmland, to include the following:

1. Name of the land commission;

2. The full name (the appellation), address (seat), and EGN [uniform civil number] of the petitioner and his representative, if such exists;

3. A description of the property—size, location, former neighbors, and so forth;

4. The nature of the petition: obtaining land or its monetary equivalent;

5. A list of the appended proofs;

6. The signature of the petitioner or his representative.

(2) The following must be attached to the petition:

1. Written proof of the right of ownership in the sense of Article 12, paragraph 3, of the ZSPZZ;

2. Statement concerning land obtained as per point 4 of the Provisional and Concluding Stipulations of the ZSPZZ;

3. Certificate of inheritance, when the restoration is requested by an heir (heirs) of a deceased owner;

4. Transcript of the petition if restoration of the right of ownership in another area, as well, is requested.

(3) Petitioners who submit incorrect data are held liable as per Article 313 of the Penal Code.

Article 14. (1) A petition submitted by one heir applies to all other heirs.

(2) In the case of several heirs, the petition as per Article 13, paragraph 2, point 2, shall be submitted by each of them. If any one of the heirs refuses to submit a petition and if the data in the petition may not be acquired through official channels, the legal relations shall be settled in accordance with the procedure stipulated by the National Land Council, as per item 4, paragraph 4, of the Provisional and Concluding Stipulations of the ZSPZZ.

Article 15. (1) The petition as per Article 13 shall be submitted to the municipal land commission at the location of the farmland subject to restoration. Should the petition be submitted to another land commission or mayoralty that does not have a land commission, it will be sent through official channels to the respective land commission, and the petitioner shall be informed of this fact. The deadline shall be based on the date of submission of the petition.

(2) If the submitted documents do not meet the requirements of Article 13, the petitioner shall be informed so that he may correct the irregularities. Until such irregularities have been eliminated, the petition shall not be considered. The deadline as per Article 14, paragraph 1, of the ZSPZZ shall apply as of the day of the elimination of the irregularities in the petition and the attached documents.

Article 16. (1) The municipal land commission shall make public on each subsequent work day of the week, in the mayoralty or at any other suitable permanent place, petitions submitted for the restoration of the right of ownership of farmland received during the week.

(2) Within three months from the day of the announcement as per paragraph 1, any interested individual may submit in writing his objections to the facts listed in the petition, with a copy to the petitioner, to the municipal land commission.

(3) The municipal land commission shall inform the petitioner of the objection, in accordance with the Civil Procedure Code.

(4) In the cases stipulated in paragraph 2, the municipal land commission shall stop the processing of the petition for the restoration of right of ownership until the argument has been resolved through the courts or the objection has been withdrawn personally or with a notarized statement.

Article 17. (1) Within six months of receipt of the petition, the municipal land commission must issue a ruling determining the size and category of farmland to which the petitioner has a right.

(2) If the petitioner has requested the monetary equivalent of the land, by decision as per paragraph 1, the amount shall be determined as well.

(3) The ruling may be appealed in accordance with Article 14, paragraph 3, of the ZSPZZ.

(4) The complaint shall be submitted to the rayon court via the municipal land commission. Within three days of receipt, the municipal land commission must submit the complaint, along with the entire correspondence, to the court. Should this deadline be violated, the petitioner may send a transcript of the complaint directly to the court, which will request the correspondence through official channels.

Article 18. (1) Within six months of the enactment of the ZSPZZ, the municipal people's council shall submit to the municipal land commission data on changes that have occurred in the farmland by area and category of land on the basis of:

1. The boundaries of the land area, the forest fund, and the settlement at the time of the establishment of the TKZS and the DZS and the enactment of the ZSPZZ. Arguments concerning boundaries shall be resolved in accordance with the procedure stipulated in the law;

2. The size of farmland in the year of establishment of the TKZS and the DZS, by type of ownership;

3. The size of the reduction of farmland after the founding of the TKZS and the DZS, as a result of:

a. Land condemned for state and public needs, including land within the construction limits of settlements;

b. Dams, canals, pumping stations, roads, industrial buildings, equipment, installations, and other built-up facilities of the TKZS, the DZS, agricultural firms, and cooperative enterprises;

c. Land as per Article 24, paragraph 3, of the ZSPZZ;

d. Land unsuitable for farm use, excluded from the farmland by the National Land Council, on the suggestion of the municipal land commission;

e. Land granted for use as per item 4 of the Provisional and Concluding Stipulations of the ZSPZZ;

f. Land used by scientific, scientific-production, and educational establishments, by seed producers and livestock breeding farms, by prisons, and by forest farms, in amounts stipulated by the National Land Council;

g. Land recognized as a single farmstead and residence of members of the TKZS;

h. Land, the use of which is contemplated for meeting state requirements, in which case the procedure for the approval of such purposes was initiated prior to the enactment of the law and has not been completed;

i. Land that is part of the state forest fund;

4. The increased amount of farmland after the establishment of the TKZS and the DZS through:

a. Development of new farmland;

b. Recultivation of spoiled land;

c. Exclusion from the state forest fund;

d. Exclusion of land from the construction limits of settlements as per item 2 of the Additional Stipulations of the ZSPZZ;

5. The amount of available farmland for restoration, based on categories in accordance with the cadastre, with data consistent with the preceding items.

(2) The municipal people's councils shall provide data required as per the preceding paragraph from the cadastre and other sources.

(3) The municipal land commission shall draw up a protocol for equating the categories of land by owners in the forming of the TKZS and the DZS with the categories of the land according to the cadastre or other data.

Article 19. (1) Should it be established that the amount of the farmland has been reduced, the municipal land commission shall establish a coefficient with the help of which the amount of the land to be restored to each owner can be determined. The coefficient shall be established by dividing the amount of the available farmland by the size of the land in the year of establishment of the TKZS and the DZS.

(2) The municipal land commission shall determine, on the basis of a protocol, the amount of the farmland to be restored by category for each owner by multiplying the coefficient as per paragraph 1 times the amount of the land determined in the resolutions as per Article 17. In the case of land belonging to the state land fund, the amount and the category shall be coordinated with the minister of agriculture and food industry.

(3) In the division of land according to category among the owners, a scarcity of land in one category shall be compensated with land of a related category. The allocation shall be based on a descending or ascending ranking of categories. The differential between the size of the land indicated in the resolutions as per Article 17 and the size as per paragraph 2 by category shall be paid according to prices set by the Council of Ministers.

Article 20. (1) The distribution of the land shall include the study, engineering, publication, approval, tracking, and coordination of boundaries and documentation of farmland by owner.

(2) The municipal land commission shall organize the technical activities listed in paragraph 1.

Article 21. The study shall include:

1. The search and systematization of the existing cadastral plans, charts, and documentation; the systematization of the submitted petitions for the restoration of the right of ownership; and the adopted resolutions on such petitions;

2. Familiarization with the instructions and resolutions of the National Land Council, the municipal land council, and other competent authorities, and the plans for the territorial structure;

3. Study of the terrain.

Article 22. The land distribution plan shall be drafted on the basis of an actual map and on a scale not smaller than 1:10,000, in two phases. It shall contain text and graphic materials.

Article 23. (1) The first phase in drafting the plan for land distribution shall include:

1. Enumerating the land defined as per Article 18, paragraph 1;

2. Determining blocks of farmland within which the land is classified according to permanent use, reflecting the size and category of the land;

3. Designing the necessary field roads, easements, and other improvement elements and antierosion, reclamation, and other environmental protection measures.

(2) The plan as per paragraph 1 shall be displayed publicly at a suitable place in the mayoralty. Within 14 days of its publication, written objections may be submitted, as well as proposals to the municipal land council.

(3) The draft for the first phase of the plan for land distribution and the received objections and suggestions shall be considered by an expert council. The council shall be appointed by order of the chairman of the municipal land council and shall consist of no fewer than three members. The council shall include an engineer-geologist or a land regulation engineer, an agronomist, and other specialists.

(4) The draft of the first phase of the plan for the division of the land must be approved by resolution of the land commission.

(5) As assessed by the performer of the work, the first phase of the plan for the distribution of the land shall be mapped and coordinated.

Article 24. (1) The implementation of the second phase of the plan shall begin if resolutions have been passed as per Article 19, paragraph 2, on at least one-half of the submitted petitions.

(2) The boundaries shall be defined on the basis of the resolutions of the municipal land council as per Article 19, paragraph 2, in accordance with the specific technical requirements. Whenever possible, in mountainous and semimountainous areas, where the boundaries of the property of one or several owners have been preserved, the land may be restored in its old actual boundaries.

Article 25. (1) The municipal land council shall publish in DURZHAVEN VESTNIK an announcement on the drafting of a plan for land distribution. The draft plan shall be displayed publicly in a suitable area in the mayoralty and publicized through the information media.

(2) Interested individuals have the right to submit written objections to the municipal land council on the draft plan for land distribution within 14 days of the date of its publication in DURZHAVEN VESTNIK.

(3) Within a 14-day period, the municipal land council shall consider all objections that have been received and shall pass on them. The accepted objections shall be reflected in the draft land distribution plan.

(4) The corrected draft plan for land distribution shall be approved by the municipal land council by resolution. The commission shall announce in DURZHAVEN VESTNIK the approval of the land distribution plan. The announcement shall be suitably displayed in the mayoralty and publicized through the information media.

(5) Objections to the approved land distribution plan may be filed with the okrug court within one month of the date of publication in DURZHAVEN VESTNIK, via the municipal land council. The court's decisions are final.

(6) The approved land distribution plan shall become effective unless appealed within the period stipulated in paragraph 5 as of its day of publication in DURZHAVEN VESTNIK or the day of the court's ruling.

Article 26. (1) The enacted land distribution plan may be amended only in the case of an obvious factual error or a violation of the law.

(2) Changes in the land distribution plan shall follow the sequence of its formulation, publication, and approval.

Article 27. (1) On the basis of the enacted land distribution plan, the municipal land council shall pass a resolution in which it shall describe the size, land category, and lots for which the right of ownership is restored, and shall determine the amount of the compensation.

(2) The resolution as per the preceding paragraph shall be reported to the individuals in accordance with the Civil Procedure Code. Within 14 days of the announcement, the resolution may be appealed through the courts, but only concerning the amount of the owed compensation.

Article 28. (1) In the case of owners about whom no enacted resolutions have been passed as per Article 17, prior to the initiation of the second phase of the land distribution plan, lots shall be allocated in the order in which the resolutions have been passed. This will take place following the enactment of the land distribution plan.

(2) The municipal land council shall pass a resolution determining the size and the category of the land for which the right of ownership is restored, the amount of the owed compensation, and the specific lots.

(3) The resolution shall be reported to the interested individuals in accordance with the Civil Procedure Code. It may be appealed within 14 days with the okrug court. The court's decision shall be final.

Article 29. In the case of restoring the right of ownership of farmland to a deceased owner, the resolution shall be applicable to all the heirs.

Article 30. (1) The boundary lines of the approved lots shall be marked, coordinated, and documented.

(2) Boundary lines shall be given coordinates within a unified system.

(3) Materials and data on the restored property shall be entered in the cadastre.

Article 31. (1) For technical reasons, a difference of up to 1 percent in the amount of the land subject to restoration and the land actually obtained may be tolerated. The difference shall be paid for in accordance with a price set by the Council of Ministers.

(2) The difference in the amount of the land as per paragraph 1 shall be reflected officially by the municipal land council in the resolutions as per paragraphs 27 and 28.

Article 32. (1) Taking possession of the restored land shall be officiated by a member of the municipal land council in the presence of the owner or his representative. It will be based on the enacted resolution on restoring the ownership and a certified sketch. A protocol shall be drawn up about the restoration. The permanent markers at the boundary points shall be placed by the owner.

(2) The municipal land council shall inform, in accordance with the Civil Procedure Code, the owner or his representative, as well as the holder of the land, of the date of transfer.

(3) The taking of possession of land granted for use by the TKZS's by their owners may take place jointly in the presence of representatives of the TKZS's.

Article 33. (1) The possession shall take place after the crop has been harvested.

(2) The owner may assume possession even before the harvesting of the crop after paying a compensation as agreed upon with the organization or the individual who sowed the land.

(3) The municipal land council may establish a suitable time for harvesting the crop of the land included in the land distribution plan. If the crop is not harvested within a stipulated time, the owner may assume possession by paying for only the procedural expenditures.

Article 34. The owner may demand an expert evaluation through the municipal land council to determine the extent and the nature of soil pollution. If so determined by the municipal land council, an expert evaluation shall be made and the cost of it paid by whoever caused the pollution or, should he be unknown, by the municipal people's council. Refusal to have an expert evaluation must have justification.

Article 35. (1) Prior to assuming possession, land polluted with refuse of a residential or industrial nature and other solid refuse shall be cleaned by the polluter at his expense or, should he be unknown, at the expense of the municipal people's council. The owner may clean the land himself at the expense of the polluter or, respectively, the municipal people's council.

(2) Damages caused as a result of restrictions in the use of land contaminated with heavy metals, radionuclides, and other harmful substances in excess of the admissible concentration shall be paid for by the polluter.

(3) For a period of up to five years after the technical recultivation of the farmland, the respective investor shall provide the owners with funds for biological recultivation.

Article 36. (1) Substitution of farmland owned by the state or the municipalities with farmland owned by citizens and juridical persons shall be allowed only on the basis of equivalence in terms of quantity and quality.

(2) Substitution as per paragraph 1 with land from the municipal land fund shall be based on a resolution by the municipal people's council on the basis of a motivated proposal submitted by the municipal land commission.

(3) Land as per paragraph 1 may be substituted with land from the state land fund by decision of the minister of agriculture and food industry on the basis of a motivated proposal submitted by the National Land Council.

(4) A written contract must be signed for any substitution as per the preceding paragraphs. No notarization is necessary.

Article 37. (1) Land to citizens who are landless or who have little land shall be granted by the municipal land council out of land belonging to the state and to the municipal land fund.

(2) Land from the state land fund to be granted for such purposes shall be determined by the minister of agriculture and food industry.

(3) The municipal land council shall determine the land from the municipal land fund to be granted to such individuals after coordination with the respective municipal people's council. Land scheduled for restoration, for which no requests have been filed as per Article 14, paragraph 1, may be leased for only a period of up to one year.

(4) Land may be granted by granting the right of ownership.

Article 38. (1) The municipal land commission shall determine the land to be granted for permanent use (fields, natural meadows, artificial meadows, and perennials) and the minimal sizes of the lots, and shall organize the formulation of a land-granting plan.

(2) The minimal sizes of the lots for permanent use shall be based on the specific soil and climatic conditions required for the development of efficient farming but may not be smaller than those defined in Article 10.

Article 39. The municipal land council shall display in a suitable place in the mayoralty the land to be granted for

permanent use, including its total amount and location. This announcement may be made also via the information media.

Article 40. (1) Individuals who wish to be given land shall submit a petition in which they shall indicate the land in terms of dimensions and the ways of permanent use.

(2) The petition must be accompanied by documents (statements, certificates, and so forth) determining the circumstances as per Article 20, paragraph 1, of the ZSPZZ and the right to priority as per Article 21, paragraphs 1 and 2, of the ZSPZZ.

Article 41. (1) The municipal land commission shall consider the received petitions within one month of the announcement. The date of its session shall be made public in accordance with Article 39.

(2) The municipal land commission shall give land to the candidates in accordance with the priority requirements stipulated in Article 21, paragraphs 1 and 2, of the ZSPZZ.

(3) In the case of several candidates enjoying the same priority and all other conditions being equal, lots shall be drawn.

(4) The prices for the land as per paragraph 1 shall be set by the Council of Ministers.

Article 42. (1) The municipal land commission shall pass a resolution on the petitions.

(2) The resolution as per paragraph 1 shall be reported to those interested, in accordance with the Civil Procedure Code, and may be appealed to the rayon court within one month of receipt of the announcement.

(3) The petition shall be submitted via the municipal land commission to the rayon court. The court shall rule on the matter, and its ruling may be appealed in accordance with the general procedure.

Article 43. (1) Individuals who do not have the advantages as per Article 21, paragraph 1, of the ZSPZZ shall be given land from the municipal land commission by resolution, after an auction.

(2) The auction will be organized by the municipal land commission in accordance with the procedure stipulated in the Regulation on Auctions for the Sale of State and Municipal Property (DURZHAVEN VESTNIKV, No. 23, 1991), inasmuch as no other stipulation is provided for in this regulation.

Article 44. Tracking the lots for the granting of such lands and the assumption of ownership shall be in accordance with the procedure of Articles 30, 31, 32, and 33.

Chapter 3

Land Belonging to the State, the Municipalities, the Cooperatives, and Other Juridical Persons

Article 45. (1) Farmland that is part of the state and municipal land fund shall be so determined officially by the municipal land commissions under the stipulations of Article 19, paragraph 1.

(2) In the cases stipulated in paragraph 1, the municipal land commission shall pass a resolution as per Article 27.

(3) The restoration of land as per Article 25, paragraph 2, of the ZSPZZ shall take place in accordance with the procedure stipulated in this regulation.

Article 46. (1) Individuals who have acquired the right to use land as per Article 26 of the ZSPZZ and have cultivated the land for 10 years may acquire the right of ownership by decision of the municipal land commission. This applies equally to their legitimate heirs.

(2) Respectively, the stipulations of Articles 38 and 42 shall apply in determining the right to land use.

Article 47. The minister of agriculture and food industry shall exercise the right of ownership of the lands belonging to the state land fund unless otherwise stipulated in the ZSPZZ and the present regulation.

Article 48. (1) TKZS property consists of the right to ownership of capital and working assets and the right to use and other material rights, notes due, rights of trademarks, industrial prototypes, securities, licenses, share participation in firms, and other rights and obligations.

(2) Property included in the statutory fund, monetary assets, securities, share participation, and other assets as per the balance sheet on the date of distribution shall be subject to division into shares, after subtracting obligations to the state, the banks, and other creditors.

(3) Also subtracted from the property as per the preceding paragraph are the amounts obtained by the TKZS's for regulated land they have sold.

(4) Property subject to distribution shall be assessed by an independent expert commission appointed by the farm's administrative council.

(5) The property that is owned by the state and granted via the machine-tractor stations (MTS's), the DZS, and other state organizations is not subject to division into shares.

Article 49. (1) The General Assembly shall determine the nominal value of the shares and the entitled individuals and the means of distribution of the shares based on the labor participation, and the amount and quality of contributed land and inventory. Should it be impossible to determine the amount of the inventory contribution, by decision of the General Assembly the shares may be allocated on the basis of the labor participation and the contributed land.

(2) By decision of the General Assembly, prior to the distribution of shares, it is allowed to exclude from the property the value of the real estate used to service the settlement (roads, bridges, cultural-consumer buildings, and so forth). Such property may be transferred free of charge or against payment to the state, the municipalities, and the cooperatives.

(3) TKZS fixed assets may be auctioned off by decision of the General Assembly. The initial price at the auction shall be determined in accordance with Article 43, paragraph 2.

(4) The sale of purebred livestock and herds shall take place after coordination with the Ministry of Agriculture and Food Industry.

Article 50. In terminating their membership, the members of the TKZS have the right to obtain their share in cash or in kind. Should this prove to be impossible, former cooperative members shall be given in exchange for their shares co-ownership of indivisible items in accordance with the procedure stipulated in the TKZS bylaws.

Article 51. (1) The labor participation of the cooperative farmers shall be determined for the entire period from the time they were accepted in the farm until the time of the distribution of the shares, based on the length of time worked at the farm.

(2) Workers and employees who worked in the agroindustrial complexes (APK) and their branches have the right to obtain shares for labor participation, as follows:

1. From the TKZS with which the worker or employee had legal membership relations at the time the ZSPZZ was enacted;

2. From the TKZS from which the worker or employee retired prior to the enactment of the ZSPZZ;

3. From the TKZS that was the seat of the APK at the time the labor-legal relations were terminated, prior to or during the liquidation of the APK.

(3) The members of the consolidated TKZS have the right to shares for labor participation as per paragraph 2.

(4) Also entitled to shares for labor participation are the heirs of cooperative farmers, for the labor participation of those from whom they inherit.

(5) Time spent at work in the DZS established on state land or in the MTS is not considered in determining the labor participation shares.

(6) Individuals who have worked fewer than five years in the respective TKZS or APK have no right to labor participation shares. Individuals hired for industrial and other auxiliary TKZS and APK activities have no right to labor participation shares, nor does the labor participation of individuals who received salaries from the TKZS and the APK for social and political activities entitled to labor participation shares.

Article 52. The participation of the land in the distribution of shares is based on reducing it to a certain quality and taking into consideration the length of its use as part of the farm.

Article 53. The distribution of shares for labor participation and for contributed land shall be based on a ratio adopted by the General Assembly but shall be no less than 40 percent for the land and inventory contributions and no less than 40 percent for labor participation.

Article 54. The value of perennial plants, forests, stationary and semistationary irrigation systems, and other improvements that are the property of the TKZS shall be paid by the owners of the land or deducted from their share. The assessment of the shares and improvements shall be based on a standard method.

Article 55. (1) The TKZS may demand the restoration of their right to ownership of land and fixed and working capital that were confiscated and transferred to other organizations. The restoration of the right to ownership is based on an agreement or, should no such agreement be reached, on the basis of the general claims procedure. In the case of land, with the exception of the land as per Article 24 of the ZSPZZ, the restoration shall be based on item 3, paragraph 3, of the provisional and concluding stipulations of the same law.

(2) In the case of improvements made on that property, the TKZS shall pay to the respective organization the amount of the increased value.

(3) If the property of the TKZS has become an indivisible part of the existing fixed capital and if its value does not exceed 50 percent of the total value of the project, no restoration shall be made in terms of share participation to firms that own such fixed capital, based on an agreement between the parties.

(4) The share participation of the TKZS or, respectively, to its legal successors, in the sense of Article 28, paragraph 3, of the ZSPZZ, shall be determined by agreement but must not be less than the residual value of the property when transferred to the DZS, the MTS, or other organizations.

(5) If no agreement can be reached as per Article 28, paragraphs 4 and 5, of the ZSPZZ, arguments shall be settled on the basis of general claims procedures.

Article 56. Restoration of the right to ownership of farmland expropriated from the Bulgarian Orthodox Church or other religious communities, cooperatives, or other organizations shall be within the limits stipulated by the Law on Labor Land Ownership of 1946. If buildings for nonfarming purposes have been erected on such land, included within the settlement or the forest fund, the restoration shall be based on a resolution of the National Land Council in other parts of the country, with the agreement of the owners.

Chapter 4

Land Ownership Authorities

Article 57. The National Land Council and the municipal land commissions shall be the land ownership authorities.

Article 58. (1) The National Land Council is an agency of the Council of Ministers and consists of a chairman, a deputy chairman, a secretary, and members.

(2) The membership of the National Land Council shall be established by the Grand National Assembly on the basis of a proposal submitted by the Council of Ministers.

(3) The number and composition of the apparatus of the National Land Council shall be determined by its chairman, in accordance with its functions and its budget.

Article 59. The National Land Council shall:

1. Coordinate activities for the implementation of the Law on Ownership and Use of Farmland and the regulation on its application;

2. Guide the work of the municipal land commissions;

3. Issue conclusions on the condemnation of farmland for major state needs;

4. Determine which farmland may be classified as intensive area in the sense of Article 6 of the ZSPZZ;

5. Issue opinions on requests for restoration of the time for the submission of petitions as per Article 11 of the ZSPZZ;

6. Determine the size of farmland subject to restoration that has been given to scientific, scientific-production, and other establishments for the implementation of scientific, scientific-production, or other assignments;

7. Determine the land of the State Land Fund for which the municipal land commissions have the right to grant use and ownership;

8. Resolve arguments concerning:

a. Using the land of the State Land Fund, arising between state and other organizations, as well as among the TKZS's;

b. Restoring TKZS land that had been given to state and other organizations;

9. Determining the conditions and procedures for subtracting from farmland subject to restoration lots given to the citizens for the construction of summer homes and for the satisfaction of their needs;

10. Issuing methodical instructions within its jurisdiction;

11. Issuing a list of authorized individuals who will work in the area of land distribution;

12. Implementing any other function it may be assigned.

Article 60. (1) Land commissions shall be set up under the municipal people's councils. Land commissions may be set up in the mayoralties by decision of the municipal people's councils.

(2) In the cities with municipal divisions, land commissions shall be set up under the municipalities as resolved by the city people's council.

(3) The land commissions shall consist of a chairman, a secretary, and an odd number of members. The chairman and the secretary of the commission must be full-time employees. The remaining members of the commission shall be paid in accordance with the existing laws.

(4) The number of members of the land commissions shall be set by the respective municipal people's council.

(5) The commissions must mandatorily include the following: an attorney, an agronomist, an engineer-geologist or a land-structure engineer, and representatives of the TKZS and the private farmers.

Article 61. (1) The state organs must assist the land commissions in the implementation of their activities.

(2) The TKZS, the agricultural firms, and other economic organizations must supply the municipal land commissions with the necessary information and copies of documents in their possession.

Article 62. The members of the land commission and the technical personnel in charge of land distribution have the right of access at all times to the farmland and property within the area of the settlement and the right to set up the necessary measurement markers.

Chapter 5

Financing

Article 63. The National Land Council and the municipal land commissions shall be supported by the budget.

Article 64. (1) An annual budget account shall be approved for the National Land Council, based on its size and costs of upkeep, including payments to nonpermanent council members and the cost of its activities, as stipulated in the law.

(2) The size of the personnel, including the nonpermanent members of municipal land commissions, shall be determined by the National Land Council in coordination with the Ministry of Finance. The funds for the upkeep and activities of the municipal land commissions shall be provided on an annual basis as part of the budgets of the respective people's councils.

Article 65. (1) All income from the application of the law shall be deposited in the central Republic budget, with the exception of the income as per Articles 5 and item 4, paragraph 2, of the ZSPZZ.

(2) The funds as per Article 5 and item 4, paragraph 2, of the ZSPZZ, shall be collected and expended out of a special nonbudget account approved by the executive committee of the municipal people's council.

Article 66. After the conclusion of activities, the positive and negative balances shall become part of the central Republic budget.

Additional Stipulations

1. In the sense of this regulation, citizens with little land are individuals who are engaged essentially in agricultural production and who have farmland as follows:

1. In mountainous and semimountainous areas, 10 decares or less or a total of up to 15 decares per household, should it consist of more than one member;

2. In nonintensive areas: up to 8 decares or a total of up to 10 decares per household, should it consist of more than one member;

3. In intensive areas, up to 3 decares or a total of 5 decares per household, should it consist of more than one member.

Provisional and Concluding Stipulations

2. (1) The municipal land commissions may grant for temporary use to households farmland under 10 decares in the intensive, under 15 decares in nonintensive, and under 20 decares in mountainous and semimountainous areas. The specific dimensions and location of such lands shall be based on a resolution of the municipal land commissions, in accordance with the available TKZS land, the possibilities of the area, and the wishes of the households. User rights shall be terminated, at the latest, when the owners whose rights have been restored over such land in accordance with the stipulations of Articles 32 and 33 assume possession.

(2) In accordance with the preceding paragraph, land for such use shall be either unoccupied or granted after the crop has been harvested.

3. (1) TKZS land granted to state and other organizations for agricultural activities shall be subject to restoration on demand unless it has been built up. If the land was paid for, the farm must refund the amount it received.

(2) If the land as per the preceding paragraph is built up, the organization shall pay for it to the TKZS at prices set by the Council of Ministers, if the land was provided free of charge.

4. Citizens to whom land was issued for personal use by the TKZS, the APK, agricultural brigades, and forest farms shall retain their rights as per item 4 of the Transitional and Concluding Stipulations of the ZSPZZ.

5. Owners whose land was granted for use as per item 4 of the Transitional and Concluding Stipulations of the ZSPZZ shall be compensated by the respective municipal people's council at prices set by the Council of Ministers or, if so requested, with farmland in accordance with the procedure of Article 14 and following.

6. (1) Juridical persons who are agricultural producers shall be exempt from tax on their profits from agricultural activities as per Article 3 for a period of five years from the enactment of the law.

(2) Members of cooperative farms shall be exempt from general income tax on earned dividends and rent, issued as income from agricultural activities.

7. The present regulation is issued in accordance with item 10 of the Provisional and Concluding Stipulations of the Law on the Ownership and the Utilization of Farmland. [signed] General Office Department
Chief Nikolay Velikov

Law on Protection of Economic Competition

91CH0393A Prague HOSPODARSKE NOVINY in Czech 5 Feb 91 p 8

["Text" of Law on Economic Competition]

[Text]

LAW
of 30 January 1991
on the Protection of Economic Competition

The Federal Assembly of the Czech and Slovak Federal Republic has passed the following law:

Part One
Introductory Provisions

Section 1

1. The purpose of this law is to protect economic competition, and to create conditions for its further development and against the emergence and preservation of a monopolistic or dominant status of legal or physical entities in their entrepreneurial activities (hereinafter called "Entrepreneurs"), if this restricts economic competition or makes it impossible.

2. Protection of economic competition against unfair competition is regulated by special regulations.[1]

Section 2

1. This law applies to:

a) Entrepreneurs who transact business on the territory of the Czech and Slovak Federal Republic, unless the law stipulates otherwise;

b) State administrative agencies and community agencies inasfar as their jurisdiction directly or indirectly relates to economic competition.

2. In regard to the protection provided by this law, foreign entrepreneurs who have an enterprise in, or are permanent residents of, the Czech and Slovak Federal Republic are given equal status to Entrepreneurs of the Czech and Slovak Federal Republic.

3. This law also applies to activities and business proceedings executed abroad if their consequences manifest themselves on the domestic market.

4. Unless international agreements that are binding on the Czech and Slovak Federal Republic stipulate otherwise, this law does not apply to business proceedings whose consequences manifest themselves on the market abroad.

5. The provisions of this law do not apply to the elimination or restriction of economic competition that results from the law according to which the enterprise was established.

Part Two
Prohibited Restriction of Competition
Cartel Agreements

Section 3

1. Agreements and other forms of mutual understanding concluded between Entrepreneurs, which lead to, or due to their nature—by influencing the conditions of production or circulation on the goods and output market (hereinafter called "Goods")—could lead to the elimination or restriction of economic competition are cartel agreements (hereinafter called "Agreements"), and are prohibited and invalid unless this law stipulates otherwise, or unless the Office of Economic Competition (hereinafter called "Office") grants an exemption.

2. In particular, Agreements and/or parts of Agreements that contain the following are prohibited in the sense defined by paragraph 1:

a) Direct or indirect price setting, and/or other business conditions, which are binding for the parties to the Agreement.

b) The obligation to limit or control production, sales, technological development, or investments.

c) The division of the market or purchasing resources.

d) The obligation of at least one of the parties, that Agreements with purchasers will be bound by the condition that the purchasers will buy additional deliveries of Goods that have nothing—either materially or according to business practices—to do with the requested delivery.

e) The obligation of the parties to apply different business conditions toward individual purchasers in deliveries of the same nature, whereby some purchasers will be put at a disadvantage in economic relations (discrimination).

f) The obligation to restrict access to the market to Entrepreneurs who are not parties to the Agreement.

g) The elimination or undue restriction of the right to withdraw from the Agreement.

3. The prohibition of Agreements according to paragraph 1 does not apply to Agreements that concern the following:

a) The uniform use of commercial, supplier, or payment conditions, with the exception of Agreements on prices or their components.

b) The streamlining of commercial activity, especially specialization, as long as it does not lead to the significant restriction of competition on the market.

c) The provision of a business discount, as long as it constitutes true compensation for performance and does not lead to discrimination among purchasers.

d) A market share of no more than 5 percent in supplying the market of an individual Republic, or no

more than 30 percent of the local market, which the parties to the Agreement regularly help to supply (hereinafter called "Relevant Market").

4. To be valid, the Agreements mentioned in paragraph 3 need the approval of the Office. The Office may refuse approval if the given facts provide a reason to refuse the granting of an exemption in accordance with Section 5, para. 3. Approval is considered to have been granted if the Office does not give a written notification of its disapproval within two months from the day on which it was informed of the Agreement.

Section 4

1. Agreements on the transfer of rights or the granting of licenses for inventions, industrial designs, trade marks, designation of product origin, business names, and protected varieties of plants or animal sperm, or parts of such Agreements are invalid as defined by Section 3, para. 1 if they stipulate limitations for the transferee or acquisitor in his economic relations, which exceed the purpose and extent of industrial legal protection for these purposes. The same applies to Agreements on obtaining rights to works and performances that are protected by the Law on Author's Rights.[2]

2. Nonvalidity according to paragraph 1 is not applicable, above all, to:

a) The limitation of the transferee of rights or the acquisitor of a license if it is justified by the interest of the transferor of the rights or the grantor of the license in the proper use of the subject of protection.

b) The obligations of the transferee of the rights or the acquisitor of the license in relation to setting the price of the subject of protection.

c) The obligations of the transferee of the rights or the acquisitor of the license to exchange experience or to obtain a license for patents in order to improve or use the subject of protection, as long as it is compatible with the mutual obligations of the transferor of the rights or the grantor of the license.

d) The obligations of the transferee of the rights or the acquisitor of the license that he will not abuse the protection of rights that is the subject of the Agreement.

e) The obligations of the transferee of the rights or the acquisitor of the license in relation to economic competition on markets outside the sphere of this Law's validity.

3. The provisions in paragraphs 1 and 2 apply analogously to the transfer or granting of licenses for unprotected items of industrial property and to production or trade secrets.

Section 5

1. Entrepreneurs may submit a request to the Office for an exemption from nonvalidity according to Sections 3 and 4. They are obligated to state their reasons in the request and to append a draft of the Agreement.

2. On the basis of the request, the Office may permit an exemption from prohibition of the Agreement for a set time, as long as the restriction of competition, which the Agreement would cause, is necessary for reasons of public interest, especially in the production of Goods or in support for technological or economic development. The exemption to prohibition may not exceed the limits necessary to satisfy public interest, whereby special attention should be given to the interests of the consumers.

3. Under the conditions stipulated in paragraph 2, the Office will issue an exemption from prohibition if:

a) The agreement does not include the obligation:

1. to sell only such Goods as are the subject of the Agreement;

2. to sell Goods, which are compatible or exchangeable with Goods that are a part of the subject of the Agreement, only within certain limitations either of price or quantity;

3. when selling goods or performing services that are part of the subject of the Agreement, to eliminate specific Entrepreneurs, even though they are willing to fulfill the prescribed conditions, as long as their professional competence conforms with the valid regulations;

b) the Agreement does not contravene the legal prohibition or the ethics of competition in any other way;

c) the commercial activity of the transferee of rights, or the acquisitor of a license, or of other Entrepreneurs is not unduly disrupted by the limitations mentioned in Section 4, para. 1, and the extent of these limitations does not negatively affect economic competition on the market to any significant measure.

4. An Agreement, for which an exemption is granted, will become effective on the date stipulated in the Office's decision, which may not predate the day on which the request for the exemption was submitted.

Section 6

On its own initiative or as the result of an appeal, the Office will rescind the exemption, or will restrict it, or will stipulate new conditions for its continuance if:

a) the conditions that were decisive in permitting the exemption change substantially;

b) the parties to the Agreement act at variance with the conditions and instructions stipulated when the exemption was granted, or if they misuse the granted exemption.

Section 7

1. A party to an Agreement may withdraw from the Agreement at any time if, through its implementation, his enterprise will be threatened economically, or its operation will be made difficult to a degree that the party could not foresee when the Agreement was signed even with the application of best business practices, and it is so serious that bearing this burden cannot rightly be expected of him even when the loss that may occur for the other parties through his withdrawal is taken into account. It is impossible to give up this right.

2. The party who is withdrawing must submit a written notification of his withdrawal and deliver it to all the other parties to the Agreement. The notification must include the reason for withdrawal and the facts on which the party has based his reason, as well as the date on which he will withdraw. The withdrawal will go into effect if the other parties to the Agreement do not raise any written objections within 15 days from the date on which the notification was delivered to them.

3. Should any of the parties object, the party who is withdrawing must—within 15 days of the date on which the last party is permitted to raise objections—bring an action in court against all the parties to the Agreement for a decision that the withdrawal is legally valid. If the court decides in favor of the action, the withdrawal will be valid as of the day on which the request for withdrawal was made.

4. A party to an Agreement that is concluded or extended for a period exceeding two years may give written notice of termination at the end of the second and every subsequent year, whereby a six-month term of notice must be observed; notice of termination of an Agreement that includes provisions binding the parties in relation to prices can already be given at the end of the first year and subsequently at the end of every following half year, whereby a two-month term of notice must be observed. The above-mentioned time limits are calculated from the day on which the Agreement became valid.

Agreements on Enterprise Mergers

Section 8

1. Entrepreneurs Agreements on merging their enterprises (hereinafter called "Merger") fall under the control of the Office if they lead or could lead to a restriction of economic competition on the Relevant Market.

2. An Agreement in which one Entrepreneur acquires the right or the practical ability to control the enterprise of another Entrepreneur, or a part of it, is also considered to be a Merger.

3. Any situation where the share of the participating enterprises exceeds 30 percent of the total sales on the Relevant Market is considered to be a danger of restricting competition as defined in paragraph 1.

4. To be valid, Agreements in accordance with paragraphs 1 and 2 require the approval of the Office and must be submitted to it for this purpose. The Office will approve the Agreement if it is demonstrated that the loss, which may occur due to the restriction of competition, will be outweighed by the economic benefits provided by the Merger. The Office may set conditions and stipulate a time limit for the approval. If the Office does not make a decision within three months of the submission of the Agreement for approval, the Agreement will be considered as having received approval on the day following the expiration of the above-mentioned deadline.

Monopolistic and Dominant Status on the Market

Section 9

1. If the Entrepreneur himself or in agreement with other Entrepreneurs attains such a status on the Relevant Market that he is not subjected to any competition at all (monopolistic status), or he is not subjected to significant competition (dominant status), he is obligated to inform the Office of this fact without delay.

2. An Entrepreneur who, through deliveries to the Relevant Market, secures at least 30 percent of the supply of compatible, comparable, or mutually substitutable Goods within the period of one calendar year is considered to have dominant status.

3. A monopolistic or dominant status must not be abused by the Entrepreneur to the detriment of other Entrepreneurs or consumers, or to the detriment of public interest. The following, in particular, is abuse:

a) direct or indirect insistence on unjustified conditions in contracts with other participants on the market, especially insistence on Goods deliveries which, at the time of the conclusion of the contract, are plainly out of proportion to the counter-delivery provided;

b) making the conclusion of a contract contingent on the condition that the other party to the contract must purchase additional deliveries that have no connection, materially or according to business practices, with the requested subject of the contract;

c) the implementation of different conditions for compatible or comparable deliveries in relation to individual participants on the market, whereby these participants are put at a disadvantage in economic competition;

d) the discontinuance or restriction of production, sales, or the technological development of goods for the purpose of obtaining undue economic advantages to the detriment of the purchasers.

Part Three
Offices for Economic Competition

Section 10

1. The following have the jurisdiction for Offices for economic competition:

a) The Federal Office for Economic Competition in relation to:

1. protection against the restriction or elimination of competition in cases that create or may create a share of an Entrepreneur's deliveries, or a joint share of deliveries issuing from agreements in accordance with Sections 3, 4, and 8, that exceeds 40 percent on the Relevant Market both in the Czech and in the Slovak Republics;

2. the representation of the Czech and Slovak Federal Republic in interstate transactions and in agreements with offices for economic competition in other countries;

b) the Office of the Czech Republic for Economic Competition, in relation to protection against the restriction or elimination of competition, which could have consequences on the territory of the Czech Republic, unless the jurisdiction is in accordance with 1 a;

c) the Office of the Slovak Republic,[3] in relation to protection against the restriction or elimination of competition, which could have consequences on the territory of the Slovak Republic, unless the jurisdiction is in accordance with 1 a.

2. After a mutual agreement, the offices may proceed to debating and to making decisions on individual cases of protection of economic competition if this is purposeful for better and quicker clarification of cases, and if the Entrepreneurs who are directly affected by the case agree.

3. Within the framework of their jurisdiction as stipulated in paragraph 1, the agencies for economic competition will also implement other measures to support economic competition.

Section 11

The following obligations fall under the jurisdiction of the Offices:

a) to review and/or approve Agreements and Mergers and to review the monopolistic or dominant status of enterprises in accordance with Sections 3, 4, 8, and 9;

b) to make decisions in accordance with Section 5, para. 2 on the granting of exemptions from prohibition, to stipulate possible conditions for granting exemptions, and to monitor their observance;

c) to instigate proceedings for rescinding the granted exemptions in accordance with Section 6, and to rescind the exemptions if the stipulated conditions were not observed despite warnings, or if the reasons that led to the granting of the exemption no longer exist;

d) to prohibit the execution of Agreements and Mergers and/or parts of them, as well as the abuse of a dominant or monopolistic status on the market if they contravene the prohibitions mentioned in Sections 3, 4, 8, and 9, and if no exemption was granted for them, and/or if the exemption was rescinded;

e) to impose the obligation to rectify irregularities that are discovered, and to set an appropriate deadline for this to be done;

f) to issue decisions on whether a specific action constitutes abuse of a dominant or monopolistic status of the enterprise as defined in Section 9, para. 3;

g) to issue preliminary measures in accordance with Section 11, para. 4 in proceedings initiated at the office;

h) to impose monetary fines on enterprises for violating the obligations stipulated in this law;

i) to demand from the Entrepreneurs data and information necessary for its activities, and for this purpose to examine the Entrepreneur's legal and business data, and to ascertain that the obligations stipulated by this law are not being violated;

j) to publish requests for permission to conclude Agreements or for Mergers, to publish its decisions that have acquired legal validity on the disapproval of Agreements or Mergers, on the abuse of monopolistic or dominant status, and on the fines imposed or on other corrective measures.

Part Four
Proceedings at the Offices

Section 12

1. The Offices initiate proceedings on their own initiative or as the result of an appeal.

2. The parties to the proceedings are the individual who proposed it, the Entrepreneur against whom the proceedings are directed, and the Entrepreneur who has suffered the loss. Furthermore, individuals and groups of individuals whose interests may be affected by the decision, especially associations of Entrepreneurs and consumers whom the Office invited to participate in the proceedings on their request.

3. If the nature of the matter makes it necessary, the Office will make a decision on the basis of verbal proceedings, to which it will invite the parties. However, at all times the parties must be given the opportunity to voice their views on the subject of the proceedings and the results of the investigation that the Office undertook in the matter before the final decision.

4. During proceedings in accordance with the preceding paragraphs, the Office may issue preliminary provisions to temporarily regulate the legal relations up to the time of the final decision, if this is necessary to ensure justified interests or if the execution of the final decision could otherwise be frustrated or seriously threatened.

5. Unless stipulated otherwise, the procedure in the Offices' proceedings is in accordance with the provisions of the administrative code.

Section 13

1. If a part to the proceedings does not agree with the Office's final decision, he can submit a justified appeal to the court for the decision to be reviewed.[5]

2. The deadline for submitting an appeal for review is 30 days from the date on which the decision was delivered to the party.

Section 14

Fines

1. The Office is entitled to impose a fine of up to 5 percent of the turnover for the last completed financial year on the Entrepreneur for violating the obligations in accordance with this law. If it is demonstrated that the Entrepreneur had material benefits as a result of the violation of the obligations, a fine will be imposed on him in an amount that is at least equal to these benefits. The fine can be imposed repeatedly.

2. The Office may impose a fine in accordance with paragraph 1 no later than one year after the violation of obligations was ascertained, but no later than three years following the year during which the obligation was violated.

3. If the Entrepreneur does not pay the imposed fine within the set deadline, this fine will increase by 0.5 percent of the amount of the imposed fine for every day it is past due.

4. The fine will not be imposed of a penalty has been imposed on the Entrepreneur for the same action in accordance with a special regulation.

Part Five
The Cartel Register and Maintaining Secrecy

Section 15

1. Entrepreneurs are obligated to submit cartel agreements to the Federal Office for Economic Competition to be entered in the cartel register. Simultaneously, the data in the cartel register are kept at the Republican Offices for Economic Competition.

2. The following data must be entered in the cartel register:

a) the date on which the Agreement was signed, the contents of the Agreement, and the duration for which it is valid; in the case of enterprises with a monopolistic or dominant status on the market, the facts that led to this status, the point in time when the enterprise acquired this status, and the purpose of the activity that is affected by this status;

b) the business names and domiciles of the parties to the Agreement, and/or the business name and domicile of the enterprise that has a dominant or monopolistic status;

c) if an organization was set up to implement the Agreement, its business name, domicile, and legal nature, as well as the business names and domiciles of its branch establishments;

d) the name and residence of the person competent to represent the parties to the Agreement, and if an organization was set up to implement the Agreement, the name and residence of its representative;

e) the permit for exemption from prohibition of a dominant or monopolistic status on the market, as well as any possible changes in, or rescinding of, the exemption permit.

3. In addition to a notarized copy of the Agreement, the Entrepreneurs must also submit additional documents containing data in accordance with paragraph 2 to be entered in the cartel register if these data are not included in the Agreement. These documents will be entered in the Collection of Documents.

4. The cartel register is public. Everyone has the right to receive excerpts from the cartel register from any Office in accordance with Section 10 on his request.

Section 16

The employees of the Offices, as well as those authorized to fulfill tasks that fall under the jurisdiction of this Office, are obligated to maintain secrecy about matters that constitute production and trade secrets of enterprises, which they learned about during the performance of their job.

Part Six
Suits Issuing From Prohibited Competition

Section 17

1. Any persons, whose rights have been violated through the prohibited restriction of competition, may demand that the violator refrain from his actions, rectify the irregularities, provide appropriate satisfaction, provide compensation for damages, and surrender the unjustified material benefits. The provisions of the civil law regulations are applicable to the conditions of implementation of these rights unless this law stipulated otherwise.

2. Once proceedings have been initiated in a suit in connection with refraining from actions or rectifying irregularities, or they were terminated through jurisdiction, other entitled persons may not bring charges for the same claims from the same actions; this does not infringe on the right of these other persons to join the current proceedings in accordance with general provisions as secondary participants. Legal verdicts passed on one entitled person's claims to bring charges are also binding on other entitled persons.

3. The court may award the party, in whose favor the verdict was passed, the right to publish the verdict at the cost of the party who lost the suit and, depending on the

circumstances, also to determine the extent, form, and manner in which it will be made public. The appropriate provisions of the civil court code[6] apply to the costs of the proceedings.

Part Seven
Intervention by State Administrative Agencies and Community Agencies

Section 18

1. The State Administrative Agencies and Community Agencies may not restrict or eliminate economic competition through their own measures, overt support, or in any other manner.

2. The Office will supervise the observance of obligations in accordance with paragraph 1. It may demand reparation from state administrative agencies or from community agencies on the basis of evidence and analysis of the results.

Part Eight
Temporary Provisions

Section 19

Procedures of the State Administrative Agencies Against the Creation of a Monopolistic Status of Enterprises During the Transfer of State Assets

1. During the transfer of state assets, including their transfer to a state joint-stock company, state administrative agencies are obligated to stipulate specific conditions which, when they are met, will terminate the monopolistic status of the former enterprise or will prevent the creation of the monopolistic status of newly created enterprises. In connection with newly established enterprises whose share of the market can be expected to exceed the limit stipulated in Section 9, para. 2. the state administrative agencies will ensure that an analysis will be made, which, in particular, will include:

a) an evaluation of the possibilities for abusing the enterprise's status according to its share on the Relevant Market over the next two years;

b) an evaluation of the competitiveness of a new enterprise in relation to its former connections with the world market and to the expected foreign competition on the domestic market within the next two years, especially from the point of view of the technological level, the size of the competing enterprises, and other parameters indicative of competitiveness within a specific field (branch).

c) a comparison of the new enterprise according to applicable conditions for estimating the dominant status of the enterprises after prior consultation with, or provision of data by, the Offices.

2. The state administrative agencies are obligated to submit the analyses to the responsible according to the domicile of the enterprise so it can express its opinion. If the state administrative agencies disagree with the opinion of the Office, the responsible government will make a decision on the proposal of the state administrative agency.

3. On the request of the state administrative agency that ensures the transfer of state assets, the Office may waive its right to be consulted if, for serious reasons, its opinion could not be made in time from the point of view of the need for a speedy transfer of state assets.

4. The provisions in paragraphs 1 and 2 do not apply to:

a) state public welfare enterprises and organizations, and/or state monopolies stipulated on the basis of the law;

b) enterprises that provide local services on regional and local markets, especially commercial, food, housing, repair, and personal services to whom the procedures stipulated in Section 19 apply.

Section 20

Procedures of the Community Agencies Against the Creation of the Monopolistic Status of Enterprises During the Transfer of State Assets

1. When breaking up the enterprises, the responsible community agencies are obligated to ensure that a competitive environment will be created on regional and local markets, and especially that none of the enterprises exceed the share on the market in accordance with Section 9, para. 2. This also applies when nonauctioned enterprises are transferred to the community assets.

2. If the community agencies do not observe the provisions in paragraph 1 in individual cases, they must submit a proposal for measures to remedy the situation, which are to be executed within the next two years, to the agency competent according to the domicile of the enterprise.

3. The provisions in paragraph 2 cannot be applied to services where citizens cannot influence the selection of the supplier because of transportation distances and thus the excessive time and actual costs for transportation. In these cases the procedures to be followed for individual enterprises are in accordance with Section 19, para. 1.

Section 21

1. Entrepreneurs are obligated to notify the competent Office of Agreements, signed in accordance with Sections 3, 4, and 8 before this law went into force, within three months from the date on which this law goes into force, and the Office will make a decision on their validity and/or on granting an exemption.

2. An Entrepreneur who acquired a monopolistic or dominant status on the market before this law went into force is obligated to notify the responsible Office of this fact within three months from the date on which this law goes into force.

3. Noncompliance with the obligations stipulated in paragraphs 1 and 2 will be considered to be a violation of obligations with consequences in accordance with Section 14 of the law.

Part Nine
Closing Provisions

Section 22

The Government of the Czech and Slovak Federal Republic:

1. May issue legal regulations within certain limits for the execution of this law, in order to evaluate Cartel Agreements and Mergers, to ascertain and judge the monopolistic and dominant status of entrepreneurs and cases of its abuse.

2. The Government of the Czech and Slovak Federal Republic, the Government of the Czech Republic, and the Government of the Slovak Republic will stipulate the domiciles and organization of the Offices and/or their branches.

Section 23

Sections 119b and 119c of the Commercial Code, No. 109/1964 Sb. [Collection of Czechoslovak Laws] in the version of subsequent regulations have been annulled.

Section 24

This Law goes into force on 1 March 1991.

Footnotes

1. Section 352 of the Civil Code, No. 141/1950 Sb. and Section 119d of the Commercial Code, No. 109/1964 Sb. in the version of subsequent regulations.

2. Law No. 35/1965 Sb. on Literary, Scientific, and Artistic Works in the version of Law No. 89/1990 Sb.

3. In accordance with SNR [Slovak National Council] Law, No. 347/1990 Sb the Slovak Antimonopoly Office is the Office for Economic Competition in the Slovak Republic.

4. Law No. 71/1967 Sb. on Administrative Proceedings. [This number is not in the text, but should be entered in Section 12]

5. Section 244 ff. of the Civil Court Code, No. 99/1963 Sb. in the version of subsequent regulations.

6. Section 137 ff. of the Civil Court Code.

Law on Property Compensation; Legislative Intent

Text of Law

91CH0596A Budapest UJ MAGYARORSZAG in Hungarian 29 Apr 91 pp 12-13

["Text" of law: "In the Interest of Setting the Terms for Indemnifying Damages Caused by the State to the Property of the Citizens Since 8 June 1949"—first paragraph is MAGYAR HIRLAP introduction]

[Text] Guided by the principle of constitutional statehood and with due regard to the sense of justice and endurance of society, the National Assembly creates the following Act to settle ownership conditions consistent with a market economy, to establish entrepreneurial security, and to redress the damages caused by the former system to citizens' property:

SCOPE OF LAW

Paragraph 1

Based on this law, natural persons defined in Paragraph 2, whose private property has been lost as a result of implementing laws enacted after 8 June 1949, as enumerated in Appendix 1, shall be entitled to partial indemnification (hereinafter: Indemnification).

Paragraph 2

(1) The following persons shall be entitled to Indemnification:

a) Hungarian citizens

b) Hungarian citizens who were Hungarian citizens when they suffered damages

c) Hungarian citizens who suffered damages in conjunction with the deprivation of their Hungarian citizenship

d) Non-Hungarian citizens who were long-term residents of Hungary as of 31 December 1990.

(2) If the entitled person defined in Section (1) (hereinafter: Former Owner) is deceased, the Former Owner's descendant, or in the absence of a descendant, the Former Owner's spouse shall be entitled to Indemnification.

(3) Descendants shall be entitled to Indemnification exclusively after the deceased ancestor, only to the extent of the ancestor's entitlement, and divided in equal proportions among the persons entitled to Indemnification. No Indemnification shall be made for the share of property to which a deceased descendant would be entitled if such deceased descendant has no descendant.

(4) If there is no descendant, the surviving spouse shall be entitled to Indemnification, provided that such spouse was married to and lived with the Former Owner at the time of the Former Owner's death, or at the time the Former Owner suffered the damages.

(5) A person whose claim has been settled in the framework of an international agreement shall not be entitled to receive Indemnification.

DETERMINING THE EXTENT OF DAMAGES

Paragraph 3

(1) The extent of damages shall be defined in terms of the estimated average value. Appendix 2 contains the estimated average value of certain types of assets.

(2) The extent of damage involving arable land shall be determined pursuant to the provisions of Paragraph 13.

(3) The estimated average value provided for under Sections (1) and (2) includes the value of movable property.

(4) A [former] owner shall be entitled to only one type of Indemnification after each piece of property, but the owner shall have the opportunity to choose.

EXTENT OF INDEMNIFICATION

Paragraph 4

(1) The extent of Indemnification shall be that part of the aggregate damages determined pursuant to the provisions of Paragraph 3, which is derived as a result of calculations according to the table provided in Section (2) and rounded to the one thousand forints, and which does not exceed the amount specified in Section (4).

(2) The extent of Indemnification:

Extent of Damage	Extent of Indemnification (in percent)
0-200,000 forints	100
200,001-300,000 forints	
200,000 forints and the amount over and above 200,000 forints	50
300,001-500,000 forints	
250,000 forints and the amount over and above 300,000 forints	30
500,001 forints and above	
310,000 forints and the amount over and above 500,000 forints	10

[figures as published]

(3) Regarding claims involving arable land, the extent of Indemnification shall be determined pursuant to the provisions of Paragraphs 14-17 and shall be made at the rate of 100 percent up to a 1,000 Gold Crown value, provided that the claimant announced his claim for arable land pursuant to the provisions of Paragraph 12 Section (4) and provided that the claimant complied with the conditions specified in Paragraph 15 Section (3).

(4) The amount of Indemnification per piece of property and per Former Owner shall not exceed 5 million forints.

(5) In case of multiple owners the extent of Indemnification shall be determined based on the share of ownership held by the several owners.

METHOD OF INDEMNIFICATION

Paragraph 5

(1) A compensation voucher shall be issued for the amount of Indemnification. Any person entitled to Indemnification shall receive vouchers bearing the same serial number (Paragraph 6 Section (2)).

(2) The compensation voucher shall be redeemable on sight, shall be transferable and shall constitute a security whose value corresponds with the amount of Indemnification and whose face value shall constitute a demand against the state.

(3) A compensation voucher shall earn interest for a period of three years beginning on the first day of the calendar year quarter in which it was issued. The rate of interest shall be 75 percent of the central bank's prime interest rate.

(4) Irrespective of the date of issue, the starting date for accruing interest shall be the effective date of this law.

(5) The face value of a compensation voucher shall be increased by adding the amount of interest publicized monthly by the National Damage Claims Settlement Office, to be credited on the first day of the month following the publication of the amount of interest.

Paragraph 6

(1) A compensation voucher shall contain the following:

a) the designation "compensation voucher,"

b) the face value of the voucher and a reference to crediting interest (Paragraph 5 Section (5)),

c) the method by which the compensation voucher may be used (Paragraph 7), d) the date and place of issue,

e) designation of the serial issue (Section (2)) and a serial number,

f) the signature of the director of the National Damage Claims Settlement Office,

g) the denomination of the voucher (1,000 forints, 5,000 forints, 10,000 forints),

(2) Compensation vouchers shall bear serial issue designations A through J. Individual series shall be issued in equal quantities and at an equal pace.

(3) The issuance and sale of compensation vouchers shall be governed by the provisions of this law.

Paragraph 7

(1) The state shall guarantee that owners of compensation vouchers are able to redeem such vouchers pursuant to conditions provided in this law

a) for the purchase of pieces of property, stock and business shares sold in the course of privatizing state property, and

b) for the acquisition of arable land property.

(2) A person entitled to Indemnification may use vouchers to which he is entitled under this law as a method of payment in the amount of the face value of the compensation voucher whenever the housing owned by a local government or by the state is sold. In such cases the county (Budapest) damage claims settlement office shall verify the value of compensation vouchers at the request of the person entitled to the vouchers.

(3) The face value of compensation vouchers shall be regarded as a person's own financial resource in the course of borrowing pursuant to the provisions of the law concerning the Small Business Fund or in taking advantage of privatization loans.

(4) At the request of a person entitled to Indemnification, annuity payments may be provided in the framework of social security in exchange for compensation vouchers, pursuant to separate legal provisions.

Paragraph 8

(1) If recommended by the State Property Agency [AVU], each year the government may suspend a certain series of compensation vouchers or the use of all compensation vouchers for making purchases (Paragraph 7 Section (1) Subsection (a)). The period of suspension shall not exceed six months per year, and suspensions may be made only until 31 December of the fifth full calendar year, starting in the year of issue. Thereafter the use of compensation vouchers for the purpose of making purchases shall not be restricted.

(2) Suspension of series of compensation vouchers may take place in two-year average for identical periods of time, based on a public lottery drawing. The time period which determines the payment of interest on compensation vouchers shall be extended consistent with the time of suspension.

(3) Compensation vouchers shall be accepted as payment for at least 10 percent of the value of assets, as evidenced by the balance sheet, of a state enterprise which is in the process of transforming into a business organization, and of state owned assets sold directly. The AVU shall determine the extent to which compensation vouchers may be accepted as payment for such property, over and above the 10 percent minimum limit.

(4) Compensation vouchers obtained on the basis of a right to purchase shall be accepted by cooperatives as payment to the extent of at least 20 percent of the assets of state food industry enterprises in the process of transforming into business organizations, as the value of such assets is evidenced in the balance sheet of such enterprises.

(5) In the event that the AVU board of directors renders a decision concerning the direct sale to a single owner of a state enterprise in the process of transforming into a business organization or in regard to a piece of property owned by the state, the AVU may deviate from the minimum redemption levels specified in Sections (3) and (4).

Paragraph 9

A person entitled to Indemnification shall enjoy prepurchase rights whenever the AVU or a unit of local government sells that person's former property, except in cases governed by Law No. 74 of 1990, and further, whenever a rental housing unit owned by a local government or by the state is purchased by the occupant of such rental housing, and further, if the property pertained to a right having pecuniary value (e.g. corporate, membership rights), or if the AVU sells membership rights in a corporation which acquired such property or was established with the contribution of such property.

PROCEDURAL RULES

Paragraph 10

(1) Regarding matters under the authority of this law the county (Budapest) damage claims office shall act as the authority of the first instance, and the National Damage Claims Settlement Office (hereinafter jointly: Office) as the authority of the second instance.

(2) Authorities charged with the protection of the natural environment shall participate in the workings of the county (Budapest) Office, and the Ministry of Environmental Protection and Regional Development in the workings of the national Office as the expert authorities of the first instance.

(3) Final decisions made by the Office may be made the subject of judicial review. Courts shall be authorized to change the Office's determination which was challenged. Proceedings shall be governed by rules provided in Chapter 20 of the Pp [expansion unknown].

Paragraph 11

(1) Persons entitled to Indemnification may submit requests for Indemnification within 90 days from the effective date of this law to the county (Budapest) Office having jurisdiction.

(2) In the event that the property which serves as the basis for an Indemnification claim includes real estate, the county (Budapest) damage claim Office at the place where the real estate is located shall have jurisdiction.

(3) The Budapest Office shall have jurisdiction to proceed if the claimant's permanent residence is abroad.

(4) In case several county (Budapest) damage claim Offices have jurisdiction (positive conflict of jurisdiction) the county (Budapest) Office chosen by the person entitled to Indemnification shall proceed with respect to all of the claimant's property.

Paragraph 12

(1) Indemnification claims shall be submitted in writing. Failure to submit such claims within the deadline specified in Paragraph 11 Section 1 shall constitute the surrender of the right to file a claim.

(2) All documents or copies of documents which verify entitlement to property shall be attached to the application. Lacking such documentation reference shall be made to other evidence of ownership.

(3) In the event that an application is filed in a manner inconsistent with the provisions of Section (2), the Office shall return such application with an extension of time to file the application together with the missing data. In the event that a person entitled to Indemnification returns the application in response to the Office's request to provide additional data without such data, the Office shall judge the application based on the available data.

(4) Persons entitled to Indemnification and intending to acquire arable land pursuant to the provisions of Paragraph 15 shall so state in their appications. No determination authorizing the acquisition of land may be made in the absence of such statement.

(5) The Office having jurisdiction shall inform the affected farming organizations concerning claims filed against their land within two months from the deadline established in Paragraph 11 Section (1). Such information shall be conveyed in a summary form based on all claims for arable land filed pursuant to Section (4).

(6) The Office shall proceed pursuant to the rules provided in Law No. 4 of 1957 concerning general rules of state administrative procedure, except for the following:

a) the deadline for action shall be six months from the date of receipt of application. This deadline may be extended by the head of the Office only once for a period no longer than three months,

b) proceedings shall be suspended if at the time of application, or at the request of the Office the claimant verifies that he has initiated court or other official proceedings necessary to establish his ownership rights which serve as a foundation for his claim.

(7) Proceedings initiated before the Office on the basis of this law shall be exempt from the payment of dues.

SPECIAL RULES PERTAINING TO ARABLE LAND

Paragraph 13

(1) Whenever a claim involves arable land, the extent of damage shall be determined based on the cadastral net income of the arable land (hereinafter: Gold Crown value), so that the value of one Gold Crown equals 1,000 forints.

(2) If a Former Owner received land in exchange for his arable land, the extent of damage shall be established on the basis of the [applicable] Gold Crown value differential.

(3) In the event that Gold Crown data pertaining to part of the land cannot be found in earlier documents, the Gold Crown value shall be determined on the basis of the cadastral net income data of the town (city) which exercises authority over the area where the land is located. Calculations shall be made based on the average Gold Crown data determined at the close of the years 1982 through 1985.

(4) In the event that the whole or part of the original land was recorded as an area not under cultivation or as a fish pond, the extent of damage shall be determined on the basis of the Gold Crown value established for the lowest quality cultivation in the town (city) which exercises authority over the area where the land is located.

Paragraph 14

In the event that the Former Owner received any kind of compensation (e.g. redemption price) for his arable land, the amount of such compensation shall be deducted from the extent of Indemnification calculated pursuant to the provisions of Paragraph 4.

Paragraph 15

(1) Persons entitled to Indemnification who announced their claim for arable land based on the provisions of Paragraph 12 Section (4), pursuant to the provisions of Sections (2)-(4), shall be entitled to the right to purchase arable land to the extent specified in Paragraph 17 and in exchange for compensation vouchers, provided that the arable land which is subject to the person's Indemnification claim is owned by a cooperative or its legal successor (hereinafter: Cooperative) which acquired, owned or used that land.

(2) Pursuant to the provisions of Section (1) members of Cooperatives also have a right to purchase arable land, provided that the member of a Cooperative

a) is entitled to be indemnified on a basis other than ownership of arable land, and that the member of the Cooperative

b) does not dispose over arable land property, and in other respects

c) complies with the requirements established in Paragraph 17 Section (3).

(3) The right to purchase may be exercised by the person entitled to receive Indemnification, provided that such person makes a commitment to utilize the arable land for agricultural purposes and not to withdraw the arable land from agricultural production within five years.

(4) Arable land acquired on the basis of a right to purchase whose owner failed to perform on the commitment described in Section (3) within five years from the date of the acquisition of such land, shall be transferred to the ownership of the state without Indemnification, and shall be auctioned.

(5) From the standpoint of the owner's personal income taxes, proceeds of the sale of arable land acquired on the basis of a right to purchase, as offset by the amount of investment to increase the value of such arable land, shall be regarded as income in the year when the arable land was sold, if such sale took place within three years from the date of acquisition. The sales value used as the basis of calculating dues shall be regarded as the amount of proceeds.

(6) A person entitled to Indemnification may exercise his right to purchase by announcing his intent to the committee having jurisdiction (Paragraph 18 Section (1)) within 30 days from the date of receipt of notice of having acquired such right; the right to purchase ceases to exist thereafter.

Paragraph 16

(1) Based on the right to purchase established in Paragraph 15, a person entitled to Indemnification may demand the release of arable land whose Gold Crown value corresponds at most with the Gold Crown value shown in the determination, and only to the extent of the value of compensation vouchers issued in recognition of damages caused to the owner in the context of his arable land property.

(2) A person entitled to Indemnification shall be obligated to reimburse the entity which releases the arable land for the increased value of the arable land not expressed in the form of Gold Crown value, as offset by the amount of increased value derived from state subsidies. Another tract of land of equal Gold Crown value shall be assigned if the person entitled to Indemnification refuses to make such reimbursement.

(3) Expenses incurred in conjunction with the assignment of arable land, the development of the land as an independent piece of real estate and the recording of such real estate shall be paid by the claimant. The acquisition of property shall be exempt from official dues related to the acquisition of property.

Paragraph 17

(1) A land bank shall be established prior to the satisfaction of claims pursuant to Paragraph 15 Sections (1) and (2) for the purpose of allocating land to be transferred into the ownership of members and employees of Cooperatives, and of employees of state farms. The size of the land bank shall be determined by allocating land worth 30 Gold Crowns to each member of a Cooperative, and 20 Gold Crowns to each employee of a Cooperative or a state farm.

(2) In the event that the arable land that remains after the establishment of the land bank pursuant to Section (1) is insufficient to fully satisfy all rights to purchase, tracts of land shall be released in proportionately reduced sizes with due regard to the Gold Crown values shown in the determinations establishing rights to purchase.

(3) In establishing a land bank pursuant to Section (1), current members of Cooperatives, or employees of Cooperatives or state farms whose membership or employment relationship existed on 1 January 1991, and whose agricultural land property is smaller than the size of property defined in Section (1) shall be regarded as members of Cooperatives or as employees of Cooperatives or state farms. Members of Cooperatives who exercised their right to purchase pursuant to Paragraph 15 Section (2) shall be disregarded.

Paragraph 18

(1) Assignments of arable land to be released shall be made by a committee of three, composed of a representative of the Cooperative, a representative selected by and from among the persons entitled to Indemnification, and a person who enjoys the confidence of both sides.

(2) To the extent possible, arable land shall be released so that

a) the cultivation and the Gold Crown value of the released arable land correspond with the cultivation and the Gold Crown value of the expropriated arable land,

b) it be in one tract, and

c) it be as close as possible to the residence of the person entitled to Indemnification (in case of real property with homestead, as close as possible to the homestead).

(3) The committee provided for in Section (1) shall be established within 30 days from the date of the expiration of the deadline established in Paragraph 11 Section (1). The committee shall establish its own rules and regulations.

Paragraph 19

(1) Arable land to be released shall be outside of protected natural reservations.

(2) In the event that the area available outside of protected natural reservations is not sufficient to satisfy all claims, claims may be satisfied by allocating protected natural areas owned by the Cooperative and cultivated as plough lands, gardens, orchards, vineyards or forests, except for national park areas and areas governed by international agreements, and areas subject to more intensive protection.

(3) Protected natural areas may be allocated only with the concurrence of the authority charged with the protection of the natural environment.

(4) The claimant shall be informed in writing in advance if protected natural areas are released in the form of Indemnification, or if a restriction on land use already exists.

(5) These provisions shall also apply with respect to planned protected areas.

Paragraph 20

Land areas protected as historical sites, originally not belonging to or not adjacent to agricultural buildings which were originally not regarded as arable land shall not be used to satisfy land claims.

Paragraph 21

Instead of enforcing a right to purchase, a person entitled to Indemnification may request that he be admitted to the Cooperative, and the Cooperative may make an offer to admit such person. If the person entitled to Indemnification is admitted as a member of the Cooperative, the land to which he is entitled in exchange for the compensation vouchers shall be governed by rules applicable to land property owned by members of Cooperatives.

Paragraph 22

Compensation vouchers acquired by Cooperatives in the course of satisfying land claims filed by persons entitled to Indemnification against Cooperative property may be utilized by the Cooperative pursuant to the provisions of Paragraph 7 Section (1).

Paragraph 23

(1) If the Former Owner's land was transferred as common land to a Cooperative from state-owned land, the Cooperative may satisfy the land claim by assigning arable land owned by the state used as common land by the Cooperative.

(2) If the Former Owner's land is arable land owned by the state and is managed by a state farm, the state farm shall satisfy the land claim pursuant to the provisions of Paragraphs 15 through 20.

(3) The provisions of Paragraph 22 shall not be applied in situations described in Section (1)-(2). Compensation vouchers received in exchange for arable land owned by the state shall be forwarded by Cooperatives and state farms to the county (Budapest) Office having jurisdiction, within 30 days from the date of receipt of such vouchers.

CLOSING PROVISIONS

Paragraph 24

The government shall provide for the implementation of this law, including the establishment of the Office and of rules for the functioning of the Office.

Paragraph 25

(1) This law shall take effect on the 30th day after its promulgation, but the provisions of Paragraph 22 shall be applied beginning on the day of promulgation.

(2) Partial Indemnification for damages caused by the state to the property of citizens prior to 8 June 1949 shall be provided for in separate law, in a manner consistent with the principles of this law.

APPENDIX 1

1949

1) Law No. 24 of 1949 concerning the settlement of certain issues related to the conclusion of land reform and settlement.

2) Decree with the Force of Law No. 3 of 1949 concerning the partial replotting of agricultural and forest management real estate.

3) Decree with the Force of Law No. 20 of 1949 concerning the transfer of certain industrial and transportation enterprises to state ownership.

4) Government Decree No. 4091 of 16 June 1949 concerning the offering of agricultural real property and equipment related to such property.

5) Government Decree No. 4096 of 18 June 1949 concerning the performance of funeral functions in individual cities and towns by municipal enterprises.

6) Government Decree No. 4153 of 29 July 1949 concerning the review and assignment of saw mills, and in regard to amending Government Decree No. 470 of 15 January 1949, insofar as plants sequestered pursuant to the provisions of Paragraph 4 Section (4) were subsequently transferred into state ownership without Indemnification.

7) Government Decree No. 4162 of 26 July 1949 concerning the increased prevention of illegal border crossing and smuggling across the border in certain areas, insofar as real property transferred to the state for use by the state pursuant to Paragraph 1 Section (2) was subsequently transferred into state ownership without Indemnification.

8) Council of Ministers Decree No. 4314 of 13 November 1949 concerning the facilitation of the merger of certain Cooperatives.

1950

9) Decree with the Force of Law No. 25 of 1950 concerning transfer of public pharmacies to state ownership.

10) Council of Ministers Decree No. 284 of 10 December 1950 concerning the offering of real estate owned by industrial workers, laborers, miners and transportation workers to the state.

11) Minister of Agriculture Decree No. 16100 of 23 August 1950 amending Decree with the Force of Law No. 3 of 1949 concerning the partial replotting of agricultural and forest management real property, providing for the implementation of the Decree with the Force Law in 1950.

1951

12) Council of Ministers Decree No. 94 of 17 April 1951 providing new procedural rules for the confiscation of property.

13) Council of Ministers Decree No. 101 of 29 April 1951 concerning the registration and transfer of inhabitable premises used for other purposes, as well as Council of Ministers Decree No. 165 of 7 September 1951 supplementing and amending these provisions, insofar as the premises utilized were subsequently transferred to state ownership without Indemnification.

14) Council of Ministers Decree No. 145 of 24 July 1951 concerning the replotting of agricultural and forest management real estate property in producer Cooperative towns (cities).

1952

15) Decree with the Force of Law No. 4 of 1952 concerning the transfer of certain buildings into state ownership, except for those exempted from under transferring building property to the state based on the provisions of Decree with the Force of Law No. 28 of 1957.

1956

16) Decree with the Force of Law No. 15 of 1956 concerning land settlement and replotting.

1957

17) Law No. 5 of 1957 concerning citizenship.

18) Decree with the Force of Law No. 32 of 1957 concerning the proprietary situation of persons who illegally left for abroad after 23 October 1956, except for property whose ownership was transferred to family members entitled to inherit such property pursuant to Paragraph 3.

19) Decree with the Force of Law No. 52 of 1957 amending Decree with the Force of Law No. 10 of 1957 concerning the settlement of ownership and use conditions related to agricultural real estate.

1958

20) Decree with the Force of Law No. 13 of 1958 amending Decree with the Force of Law No. 28 of 1957 concerning certain issues related to buildings transferred to state ownership.

21) Decree with the Force of Law No. 24 of 1959 concerning the establishment of areas suitable for large scale agricultural farming plants.

1960

22) Decree with the Force of Law No. 22 of 1960 supplementing and amending Decree with the Force of Law No. 24 of 1959 concerning the establishment of areas suitable for large scale agricultural farming.

1965

23) Decree with the Force of Law No. 20 of 1965 amending the rules for offering land.

24) Decree with the Force of Law No. 21 of 1965 supplementing Decree with the Force of Law No. 22 of 1960.

1967

25) Law No. 4 of 1967 concerning the further development of land ownership and land use.

1971

26) Government Decree No. 31 of 5 October 1971 concerning certain issues pertaining to lots owned by citizens (Paragraph 13).

27) Government Decree No. 32 of 5 November 1971 concerning certain issues pertaining to housing and recreational property owned by citizens (Paragraph 13).

APPENDIX 2

Estimated average values of various types of property shall be taken into consideration when determining the extent of damages suffered:

a) The value (Forint/square meter) upon which Indemnification for real estate is based shall be calculated on the basis of the area of such real estate (housing units, shops, workshops, vacant lots in built-in areas) as follows:

Location	
Forint/square meter	
In Budapest (pursuant to present rental zones)	2,000
Zone 1 (+ 25%)	1,500
Zone 2 (+ 10%)	1,000
Zone 3 (normal)	
In cities (pursuant to present classification)	800
In other settlements	500
Vacant building lots in built-in areas	200

b) In the case of enterprises, based on the number of permanent employees:

Number of Employees	Value Used as the Basis for Indemnification (1,000 forints)
0-2	150
3-5	500
6-10	700
11-20	1000
21-50	1,700
51-100	2,500
Above 100	5,000

Legislative Intent

91CH0596B Budapest MAGYAR HIRLAP in Hungarian 3 May 91 p 9

[Analysis of law]

[Text]

General Intent

State actions following the "year of turnaround" encroached upon the foundations of private property.

In conjunction with the system change, Former Owners forcefully expressed a need to remedy past wrongdoing involving private property and to compensate for damages.

In the process of building a market economy and in recognizing and protecting private property, it is the moral duty of the state to provide financial Indemnification to persons who suffered damages in their property as a result of the state's actions.

In order to establish stable ownership conditions consistent with a modern market economy, and to discontinue uncertainty with respect to ownership conditions the state intends to remedy the earlier damage inflicted by the state by providing partial financial Indemnification to Former Owners instead of returning (reprivatizing) the property of Former Owners.

This solution is justified by the present ability of the nation to carry an additional financial burden, as well as by the circumstance that in the past damages which have financial implications and which cannot be remedied even partially were suffered not only by property owners, but also by persons who did not own property. These damages continue to have an impact on today's living conditions.

Indemnification is limited both in time and in terms of the amount to be paid.

It is the purpose of this legislative proposal (hereinafter: Proposal) to compensate for damages suffered as a result of legal provisions enacted after 8 June 1949. In addition to the need to establish limitations, this starting point of the covered period was justified by the fact that a National Assembly based on the 1949 antidemocratic elections was convened on that day. The Proposal states

that damages suffered prior to that date would be indemnified later on the basis of principles identical to those established in this Proposal.

The extent of the initial damages (the extent of damages incurred at the time the property was taken away) will be defined in amounts to facilitate calculations and in order to avoid disputes which may evolve easily.

With regard to assessment of the average value of damages, full Indemnification can be provided only to a small group of claimants, and further, in addition to such limitation, it is appropriate to impose rules on the basis of which damage claims of a higher value are subject to greater limitations. Maximum limits for Indemnification must be established per person as well as per each property item.

Since the above defined and limited amount is also huge, and in order to avoid the effects of growing inflation, Indemnification must be provided in the form of interest bearing and negotiable securities and not in the form of cash.

The inclusion of special rules governing arable land in the Proposal was both justified and necessary. This is so because Indemnification applies to damages suffered with respect to all types of property, but Indemnification of damages involving arable land required special consideration because of the finite character of arable land and because the profitability of arable land differs from the profitability of other types of property, etc.

Section by Section Analysis

Paragraphs 1-2

Paragraph 1 establishes the scope of property covered by the Proposal, while Paragraph 2 defines the persons covered.

As provided for in this Proposal, only natural persons are entitled to Indemnification. Individuals holding Hungarian citizenship on the effective date of this law, as well as persons who were Hungarian citizens at the time they were deprived of property but became citizens of a foreign country since, persons deprived of their Hungarian citizenship before they were deprived of their property and non-Hungarian citizens who were long-term residents of Hungary as of 31 December 1990 may establish claims for compensation vouchers [hereinafter: Vouchers]. The latter provision takes into account those Bulgarian, Polish etc. persons who lived in Hungary for decades, suffered damages identical to those suffered by Hungarians, but have retained their foreign citizenship.

This Proposal would permit the enforcement of Indemnification claims not only by persons directly affected as a result of the application of legal provisions enumerated in the Appendix, but also by the descendants of the Former Owner, or in the absence of descendants, by the Former Owner's surviving spouse. For obvious reasons, inheritance rules contained in the Civil Code of Laws could not be applied in regard to the Indemnification of the Former Owners' descendants and surviving spouses, because the Former Owner would not have been able to include in his estate property that was taken away from him prior to his death. Further, the regular application of inheritance rules, with respect to ancestral property, widow's rights, willed inheritance, etc., in particular, would extend the number of individuals to whom the state voluntarily offered Indemnification to such extent that the country would not be able to bear the ensuing burden, and would endanger the speedy settlement of property relations, the stated goal of this Proposal.

Considering the above, the Proposal establishes sui generis rules to cover descendants to a reasonable extent, but provides Indemnification only in equal proportions to the descendants to the extent to which their immediate ancestor owned property, and a descendant would not be entitled to claim Indemnification for that share of property to which his deceased sibling would have been entitled. Thus, for example, if one of the descendants of a Former Owner deceased without leaving behind descendants, the descendant(s) still living would not be entitled to establish a claim for Indemnification based on that part of the property to which the deceased descendant would have been entitled.

As shown in the title, the Proposal would provide partial Indemnification of damages caused to natural persons or citizens, and would not settle damages caused in the property of legal entities. This is so in part because a majority of these legal entities can no longer be found, and in part because separate laws provide for settling the property claims of a certain class of legal entities, such as local governmental bodies, churches and social security.

Paragraphs 3-4

A finding concerning the extent of the damage caused is necessary as the first step in determining the amount of Indemnification due.

The Proposal would require that the extent of damages incurred with respect to three types of property as a result of enforcing the laws specified in the Appendix must be determined in terms of estimated average values. Thus the Proposal also includes estimated average values for real property, enterprises and arable land. Practical considerations suggested that damages be assessed in the form of estimated average values because it was apparent that the exact extent of damages incurred 30-40 years ago could not be determined accurately, alternatively, such calculations could have been arguable. The intent of the provision that the value of movable property, along with real property, enterprises, and arable land be included in the estimated average value is to simplify matters and to avoid unwarranted and time-consuming lawsuits and disputes. After all, even if it were possible to determine the value of real property from contemporary sales agreements or earlier tax assessments with a certain degree of accuracy, proving the value of the related movable property found on real property would by all means be impossible today.

The nation cannot afford to provide full compensation for the damages suffered. Consequently the Proposal prescribes a fair, multitier, degressively indexed system for calculating the amount of Indemnification, and at the same time establishes maximum limits of Indemnification per property and per claimant.

Claims involving arable land are subject to special rules. Up to a 1,000 Gold Crown value the rate of Indemnification is at 100 percent, provided that the indemnitee has filed a claim. It should be emphasized, however, that this preferential rule can be applied only if the indemnitee actually effects the purchase of arable land. If he failed to exercise the right to purchase arable land the damage calculated after the land that had been taken away would be calculated on the basis of the degressive table just like anyone else's claim and Indemnification would be calculated. Accordingly, the benefit granted with respect to arable land cannot be abused.

The special rule related to arable land, divergent from the general provisions of Indemnification, is warranted by the following considerations:

—The return on arable land is substantially smaller both in Hungary and throughout the world than the return on other assets.

—The person acquiring arable land as a result of Indemnification incurs a significant added expense by having to pay for example, the cost of surveying the land.

—The acquisition of arable land property lays only the foundation for a future enterprise. Significant investments by the indemnified person are required before the enterprise produces a return. Indemnitees claiming other types of Indemnification (e.g., the acquisition of stock) need not make such investments.

Paragraph 5

Based on the provisions of Paragraph 4 the Damage Claims Settlement Office prepares a Voucher in the amount of Indemnification for use by the natural person who proves his eligibility for Indemnification.

The Voucher is a security which embodies a special right and is based on Paragraph 338/C of the Civil Code of Laws. Since Vouchers constitute securities exchangeable at sight, the Proposal also enables the transfer of Vouchers to both natural persons and legal entities. In this way, once a person owns a Voucher, it may be used by anyone in the course of purchasing state property, irrespective of whether such purchase corresponds with the requirements established in Paragraph 2.

The constant value of Vouchers is safeguarded by the fact that such Vouchers earn interest. But in a manner different from bonds and other securities, the interest amount, just as the Voucher itself, does not increase the volume of currency in circulation. For this reason, compound interest calculated on the basis of 75 percent of the prevailing basic central bank interest rate will be added to the face value of Vouchers. This interest rate was based on a number of considerations. On the one hand, the relatively low interest rate encourages the early exchange of the Voucher, thus, reducing potential threats to the evolving securities market presented by the entry of Vouchers to the market. On the other hand, it was appropriate to set the interest rate at a level near the increased value of capital goods that may be acquired in exchange for the Vouchers. The incremental value of capital goods significantly lags behind the inflationary price increases of consumer goods, and behind the interest payable on deposits. The state pledges the productive capital goods it owns as collateral for the Vouchers it issues. Accordingly, the application of an unjustifiably disproportionate interest rate to Vouchers as compared to the appreciation rate of capital goods would be inappropriate.

In order to avoid situations in which the indemnitee suffers disadvantage as a result of possible delays in the evaluation of claims for Vouchers, the Proposal establishes the starting date for the accrual of interest in the form of a fixed date, rather than as the actual date of issuance of the Voucher.

The three year fixed term limitation on the accrual of interest starting on the issuance date of Vouchers is intended to encourage the use of the Vouchers.

Paragraph 6

The Proposal states the kind of information to be printed on Vouchers. This information makes clear the value and the conditions of use and transfer of Vouchers.

Paragraph 7

Although in a manner similar to notes Vouchers also constitute a demand, they do not authorize the holder to exchange them for cash, but to purchase state property for the face value plus the amount of compounded interest. Such exchange may take place whenever a state enterprise transforms into a business organization or when state assets are sold directly. In the former case Vouchers may be converted into stock (business shares) issued on the basis of enterprise assets, as reassessed pursuant to the provisions of Law No. 13 of 1989. In the latter case an opportunity is afforded to purchase assets (businesses) intended to be privatized in the framework of public auctions, pursuant to the provisions of Law No. 74 of 1990.

The Proposal also enables the acquisition of arable land in exchange for Vouchers. In certain instances and in due regard to certain considerations this form of property acquisition also conveys a right to purchase.

Having received Vouchers, indemnitees may use these Vouchers primarily for the acquisition of assets mentioned above. Nevertheless the inclusion of additional opportunities to use the Vouchers was also warranted.

Thus, Vouchers may be used as payment for the purchase of housing units owned by the state or by local

governmental bodies. This rule does not affect rights guaranteed to autonomous local governmental bodies: Based on the applicable legal provisions local governmental bodies may sell the housing units they own, at their discretion. But in the course of such sale, the buyer, typically an occupant lessee, may use the Voucher as a means of payment. Two additional protective rules are tied to this provision:

a) Vouchers may be used to pay for housing only if the indemnitee is entitled to purchase such housing, in other words, Vouchers purchased from someone else cannot be used for the purchase of housing.

b) Local governmental bodies may dispose of the Vouchers obtained as a result of the sale of housing as a means of payment whenever state property is privatized.

Two additional rules expand the provisions governing the use of Vouchers. Indemnification Vouchers must be regarded as a person's own resources in certain credit transactions, and Vouchers may be exchanged for annuity payments.

Since Vouchers may be used in a number of ways, individual large organizations, local governments, financial institutions, social security, producer Cooperatives, which accumulate a large volume of Vouchers may exchange such Vouchers in a more concentrated and more efficient way for privatized state property. This intent is realized on the basis of the Paragraph 8 provisions.

Paragraph 8

Considering the fact that the Vouchers issued are backed by assets subject to privatization, it is of fundamental importance to ensure that the issuance of vouches takes place at a pace consistent with the privatization of state property.

For this reason, the Proposal would authorize the government to suspend the exchange of Vouchers as recommended by the State Property Agency [AVU]. The various serial issues to be imprinted on Vouchers at the time of their issuance, as mentioned in Paragraphs 5-6, also serve the purpose of appropriate pacing.

Nevertheless restrictions regarding the conversion of Vouchers may only be imposed temporarily, without resulting in unwarranted discrimination between holders of Vouchers, and without creating a disadvantage from the standpoint of earned interest. It should be stressed that providing for suspension constitutes only a possibility, and that such rule is provided only as a matter of guarantee to be applied in unexpected cases when the availability of too few assets on the supply side could lower the sales value of Vouchers.

The pacing of utilization must be ensured not only on the "buyer's" side, but also on the supply side. For this reason, the Proposal would delegate the authority to determine the extent to which Vouchers may be used to the AVU which directs the efforts to privatize state property. This delegation of authority is made subject to conditions specified in the Proposal. In the course of this, an opportunity has been established for AVU to exchange large amounts of Vouchers accumulated by individual large organizations for state property well in excess of the 10 to 20 percent lower threshold established in the Proposal. This serves the purpose of the earliest possible "exhaustion" of Vouchers and is based on the multipurpose use of Vouchers provided for in Paragraph 7. Quite naturally, this provision applies not only to large organizations, but also to indemnitees who hold Vouchers.

Paragraph 9

The Proposal does not provide for reprivatization, instead it provides for the partial Indemnification of damages in property. While maintaining and not exceeding this fundamental principle, the Proposal would provide a prepurchase right to Former Owners regarding a specific category of property. This appeared as appropriate because otherwise the Indemnification effort could not be complete for reasons already described in the General Intent, while on the other hand claims may still be filed for the recovery of assets which still exist today in their original form. This opportunity to prepurchase, however, does not constitute reprivatization. It merely provides a prepurchase right for holders of Vouchers against other claimants who also file claims for their former property. This right is to be exercised consistent with the applicable provisions of civil law.

The enforceability of the rule concerning the exercise of the prepurchase right is ensured by exceptions enumerated in the Proposal. These exceptions rule out possible conflicts between similar rights granted in the prepurchase provisions of the preprivatization law, and grant a primary right to lessees who occupy state or local government housing units vis-a-vis the prepurchase right established in the Proposal. For similar reasons, the prepurchase right established in the Proposal does not apply in cases when the AVU sells the membership rights of a claimant who acquires his former property, or the membership rights in a company established with the contribution of such property.

Paragraph 10

The Proposal designates the county (Budapest) damage claims settlement Offices as the regional authorities of the first instance to administer the Indemnification process. Determinations of the authority of the first instance may be appealed to the National Damage Claims Settlement Office acting as the authority of second instance. Its determinations are final. The authority which protects natural resources participates in the workings of these Offices in order to protect environmental interests.

Consistent with the Constitution the Proposal provides for challenging final determinations in court. The judiciary is authorized to fully review and to change determinations.

Paragraph 11

The Proposal would establish a 90 day limit for announcing Indemnification claims. This time period is required for the consideration of claims, at the same time it also suffices for the consideration of making such claims. Providing for a longer time period was not warranted, because a longer period would unnecessarily prolong the period of actual damage assessment, and consequently also the entire process. This would result in further legal uncertainty.

The Proposal would establish the jurisdiction of damage claims settlement Offices consistent with established legal principles. In the event that the property includes real property, the damage claim should be appropriately settled by the Office which has jurisdiction over the real property. Based on rules that proved to be appropriate, in cases involving foreigners the jurisdiction of the Budapest Office is appropriate.

The Proposal has as its purpose to permit the evaluation of claims filed by the same indemnitee in the framework of a single proceeding. In the event that the property loss to be indemnified consists of several tracts of real estate subject to the jurisdiction of several Offices, the indemnitee has the right to choose the Office to assert jurisdiction.

Paragraph 12

Indemnification proceedings begin with a written petition. An indemnitee will have lost his right to enforce his claim if he failed to submit his petition within the 90-day time period established in the Proposal. General rules contained in the law governing state administrative procedure pertaining to a petition may be applied in cases in which an indemnitee failed to submit a petition through no fault of his own.

To avoid prolonged proceedings, the Proposal would constrain claimants to cooperate to the extent possible in the successful conclusion of proceedings.

The special proceedings applicable to the release of arable land demand that such claims be presented immediately by the indemnitee. Business organizations and indemnitees have a common interest in being aware of the claims, therefore the damage claims settlement Offices will combine the claims and inform the affected organizations in a summary form.

The Proposal would apply the general rules Law No. 4 of 1957 to the proceedings of the damage claims settlement Offices, except for changing the period for duty to act from 30 days to six months. This exception is justified because it is apparent that the normal period established for the duty to act is unfairly insufficient for the handling of cases which arise under the authority to be established under this Proposal.

The Office will only determine the appropriateness of claims and the extent of damage, and will not render decisions regarding ownership issues. Disputes concerning ownership must be decided in the framework of civil court proceedings, unless the parties to the dispute reach an agreement. In certain cases the acquisition of proof may involve proceedings initiated by other authorities. The Proposal would mandate the suspension of proceedings if a claimant initiated the required advance proceedings. The character of the proceedings warrants that the object of these proceedings be exempt from the payment of official dues.

Paragraph 13

As contained in the Proposal, Paragraphs 13-23 deviate from the general rules of order and require that special rules be followed with respect to determining Indemnification claims related to arable land.

Thus, a special rule would be followed with respect to determining the extent of damage in instances where the cadastral net income of arable land is used as the starting point for damage assessment. The 1,000 forint per Gold Crown value mentioned in the Proposal may be regarded only as an accounting unit because real market conditions have not previously evolved with respect to land.

In the event that earlier Gold Crown data for land areas cannot be found, the value of land areas may be determined by using auxiliary rules, according to the Proposal.

Paragraph 14

In the event that a Former Owner received instead of the land he originally owned another piece of land, the extent of damage suffered by such Former Owner will be established by comparing the Gold Crown value of the two tracts of land, and the damage suffered by the Former Owner will be the difference between the lower Gold Crown value of the land he received and the higher Gold Crown value of his original land. Similarly, the amount a Former Owner received in the form of compensation for the land taken away from him must be deducted from the amount of Indemnification received for arable land, established on the basis of degressive calculations.

Paragraph 15

The Proposal would indemnify private persons who suffered damages in their property on an equal basis, under identical considerations. Within the process of exchanging Vouchers for property, however, special rules had to be established with respect to arable land. Two fundamental reasons justify the need for such rules.

Vouchers may be exchanged for property owned by the state, dependent on decisions rendered by AVU which in this regard acts as the owner on behalf of the state, because the state disposes of such property. In contrast, a significant part of arable land, also affected by this Proposal, is owned by Cooperatives. Therefore, the release of such land is ensured by the right accorded to indemnitees to purchase such land.

The other fundamental consideration involved is the purpose of the Proposal to settle ownership conditions. In terms of arable land the implementation of this purpose must produce a situation which is also acceptable to villagers engaged in agricultural activities as well as to Former Owners of arable land. For this reason, the Proposal would grant purchase rights to indemnitees as well as to Cooperative members who comply with the relevant conditions specified in the Proposal and who may be assumed to cultivate the returned or acquired land as their lifelong occupation. Stringent rules contained in the Proposal regulate entitlement decisions on the right to purchase. These rules govern cases in which an indemnitee withdraws from agricultural production arable land acquired on the basis of the right to purchase, or if he sells such land.

Paragraph 16

Based on the right to purchase the release of land having a Gold Crown value designated in the determination establishing a right to purchase may be requested. The indemnitee must reimburse the incremental value of arable land not included in the Gold Crown value which resulted from investments by the business organization which releases the land.

The claimant must pay for the designation of the tract of land, for the development of the land as an independent unit of real property and for the recording of such real property. This significant burden also serves as a justification to provide more favorable rules for the acquisition of arable land property than for the acquisition of other property.

Paragraph 17

The Proposal also observes the interests of business organizations when it requires the establishment of a land bank consistent with the number of members and employees. The land bank ensures the possibility of management as well as the possibility to provide arable land of an appropriate size to members and employees in the course of a subsequent distribution of assets. The Proposal provides a definition of members and employees in order to avoid abuses.

The obligation to establish a land bank precedes the right to purchase, therefore, in the event that the size of the remaining arable land does not suffice to satisfy all claims, the land must be released proportionately to those entitled to receive land.

Paragraph 18

The Proposal mentions only a few considerations in regard to the designation of arable land to be released. It delegates the related decision entirely to the interested parties. After all, a committee composed of representatives of the interested parties and of a third person chosen by the interested parties who enjoys the confidence of the interested parties can represent local interests in the most authentic way, and can render decisions with respect to arising disputes.

Paragraph 19

In order to preserve natural values, arable land which is part of national parks, or which are governed by international agreements or are subject to intensive protection cannot be released at all, while arable land situated in protected areas may be released only with the concurrence of the authority charged with the protection of natural resources, and only if other areas do not suffice to satisfy all the claims.

The protection of natural resources constitutes a significant limitation on possible land use, therefore, the law prescribes that claimants must be informed in writing and in advance of such limitations. Such notice is in the interest of claimants.

The above limitations must also be applied in regard to areas which authorities having jurisdiction plan to declare as protected areas.

Paragraph 20

The proposal would prohibit the release of tracts of land which surround a large number of buildings protected as historical sites, found throughout the country. The appropriate utilization of such buildings demands that they be surrounded by land of appropriate dimensions.

Paragraphs 21-23

The Proposal would significantly simplify the process related to the release of land if the indemnitee who agreed to cultivate the land became a member of the Cooperative. In such instances the indemnitee's land ownership rights may be settled internally, within the Cooperative, pursuant to legal provisions presently in force.

The Proposal would enable Cooperatives to freely use the Vouchers received from indemnitees exercising their right to purchase arable land. Cooperatives could use these Vouchers for the acquisition of assets needed for the pursuit of agricultural activities, released by the state.

The obligation to release land which ensues from the right to purchase extends (may extend) to state-owned arable land used by Cooperatives or managed by state farms. In these instances the state provides Indemnification in kind, therefore the state is entitled to Vouchers obtained by state farms or by Cooperatives for such land.

Executive Order on State Radio Communications Agency

91EP0480B Warsaw DZIENNIK USTAW in Polish No 26 Item No 110, 30 Mar 91 pp 374-375

[Executive Order of the Ministry of Communications dated 22 March 1991 granting a statute to the State Radio Communications Agency]

[Text] Pursuant to Article 35, Paragraph 3, of the Law dated 23 November 1990 on Communications (Dz.U.[DZIENNIK USTAW], No. 86, Item No. 504), the following is hereby ordered:

Paragraph 1. A statute, constituting the Appendix to this Executive Order, is hereby conferred on the State Radio Communications Agency.

Paragraph 2. The Chairman of the State Radio Communications Agency is authorized to merge, shut down, or transform organizational units within the Agency's National Board, and to merge, shut down, or transform the organizational units of its district boards upon the recommendations of the board directors.

Paragraph 3. This Executive Order takes effect on the day of its publication.

Minister of Communications: J. Slezak

Appendix to the Executive Order dated 22 March 1991 of the Minister of Communications (Item No. 110)

Statute of the State Radio Communications Agency

Paragraph 1. The State Radio Communications Agency, hereinafter referred to as "the agency," is an organ of the minister of communications established chiefly with the object of supervising radio communications networks, lines, and facilities, as well as supervising adherence to the use of assigned frequencies, call signs, and identification signals.

Paragraph 2. The agency performs in particular the following tasks:

1) Monitoring of radio communications networks, lines, and facilities.

2) Monitoring of the utilization of the assigned frequencies, call signs, and identification signals.

3) Taking steps to ensure the needed frequency intervals for the Republic of Poland.

4) Recording and analyzing operator requests for radio frequencies.

5) Handling technical and administrative aspects of the monitoring and elimination of radioelectrical disturbances.

6) Collecting fees for the use of frequencies and for the operation of radio communications equipment.

7) Submitting to the minister of communications proposals concerning:

a) The allocation of frequencies or frequency intervals to the Armed Forces and the organizational units subordinate to the minister of internal affairs.

b) The determination of the requirements for the allocation and use of frequencies by the entities competitively applying for such allocation.

8) Handling systems for collective wireless reception of radio and telephone broadcasts from ground and satellite stations, as well as systems for the wire transmission of these programs, to the extent of:

a) Defining the frequencies that can be utilized within a given area and allocating these frequencies to system operators.

b) Preparing proposals of technical requirements for systems and equipment from the standpoint of preserving electromagnetic compatibility with other radio communications systems and equipment operating in the same area.

c) Monitoring the performance of systems and equipment from the standpoint of preserving electromagnetic compatibility with other radio communications systems and equipment operating in the same area.

9) Performing, upon the recommendation of various research entities, measurements and technical expertises relating to its statutory activities.

10) Engaging in the needed bilateral and multilateral international cooperation and participating in the work of specialist international organization, and in particular of the UIT [International Telecommunications Union], the CEPT [Conference of European Postal and Telecommunications Administrations], and the IEC [expansion unknown].

11) Cooperating with the State Telecommunications Inspectorate as regards identifying the sources and causes of disturbances in the performance of telecommunications networks due to the operation of radio communications equipment or other equipment that generates electromagnetic fields.

12) Performing other tasks specified in separate regulations.

Paragraph 3.1. The agency consists of the following organizational units:

1) The National Board.

2) District boards.

3.2. The activities of the National Board are directed by the chairman of the national board, hereinafter referred to as "the chairman," who represents it outside. The

activities of district boards and their outside representation belong within the competences of district board directors, who are directly subordinated to the chairman.

Paragraph 4.1. The activities of the National Board are directed by the chairman with the aid of deputy chairmen and directors of departments or equivalent units. 4.2. The chairman may authorize the persons referred to in Paragraph 1 and district directors to take decisions in his name.

Paragraph 5.1. The chairman is appointed and recalled by the minister of communications.

5.2. Deputy chairmen and district directors are appointed by the chairman.

Paragraph 6. The chairman submits for acceptance by the minister of communications an annual report on the activities during the preceding year and a plan of work for the coming year.

Paragraph 7.1. Acting under the chairman is the Council for Frequency Utilization, hereinafter referred to as "the council," which is the chairman's advisory body on the general policy for utilizing the frequency spectrum in this country.

7.2. The council is chaired by the chairman, who appoints and recalls its members.

7.3. The chairman may, as the need arises, appoint other advisory bodies.

Paragraph 8. The economic and financial activities of the agency conform with the regulations governing the institutions funded by the State Budget.

Paragraph 9.1. The offices of the agency's National Board are in Warsaw.

9.2. District offices of the agency are situated in the following locations and have the following territorial scope:

1) District Office in Warsaw, for the following voivodships: Warsaw, Ciechanow, Ostroleka, Plock, and Siedlce.

2) District Office in Bialystok, for the Bialystok and Lomza voivodships.

3) District Office in Bydgoszcz, for the Bydgoszcz, Torun, and Wloclawek voivodships.

4) District Office in Gdansk, for the Gdansk and Elblag voivodships.

5) District Office in Katowice, for the Katowice, Bielsk, Czestochowa, and Opole voivodships.

6) District Office in Kielce, for the Kielce, Radom, and Tarnobrzeg voivodships.

7) District Office in Koszalin, for the Koszalin and Slupsk voivodships.

8) District Office in Krakow, for the Krakow, Nowy Sacz, and Tarnow voivodships.

9) District Office in Lublin, for the Lublin, Bialsk Podlaska, Chelm, and Zamosc voivodships.

10) District Office in Lodz, for the Lodz, Piotrkow, Sieradz, and Skierniewice voivodships.

11) District Office in Olsztyn, for the Olsztyn and Suwalki voivodships.

12) District Office in Poznan, for the Poznan, Kalisz, Konin, Leszno, and Pila voivodships.

13) District Office in Rzeszow, for the Rzeszow, Krosno, and Przemysl voivodships.

14) District Office in Szczecin, for the Szczecin voivodship.

15) District Office in Wroclaw, for the Wroclaw, Legnica, Walbrzych, and Jelenia Gora voivodships.

16) District Office in Zielona Gora, for the Zielona Gora and Gorzow voivodships.

Paragraph 10.1. The National Board consists of the following organizational units:

1) Department for the Coordination of Frequency Utilization and International Cooperation.

2) Department for Policy on the Development of Radio Communications Services.

3) Radio and Television Department.

4) Department of Standardization, Technology Research, and Inspections.

5) Department of Economic Policy, Finance, and Administration.

6) Team of Legal Advisers.

7) Bureau for Organizational Matters, Personnel, and Training.

8) Broadcast Monitoring Service Board.

9) Computer Services Center.

10.2. The internal organizational structure and detailed scope of activities of the above units as well as the operating procedure of the National Board are defined in the rules manual issued by the chairman.

Paragraph 11. The detailed scope of activities of the district boards is defined in the rules manual issued by the chairman.

Law on Foreign Investments, Guarantees

91BA0576A Bucharest MONITORUL OFICIAL in Romanian 10 Apr 91 pp 1-4

["Text" of Law No. 35 of 1991 governing foreign investments]

[Text] The Romanian Parliament hereby ratifies the present law.

The present law is ratified in order to attract foreign investments in Romania, and it includes provisions to provide foreign investors with guarantees and facilities as well as complete and unrestricted use of the returns.

CHAPTER I

General Provisions

Article 1—In the sense of the present law, foreign investments in Romania mean:

a) Formation of trading companies, branches or subsidiaries with entirely foreign capital or in association with Romanian individuals or juristic persons according to the provisions of Law No. 31 of 1990 on trading companies;

b) Participation in increasing the registered capital of an existing company or acquiring shares in such companies as well as obligations or other effects of trade;

c) Licensing, leasing or renting out the management, according to law, of any economic activities, public services or production units of any independent administration or trading company;

d) Acquisition of the right to ownership of chattels or real property and other real-property rights with the exception of the right to ownership of lands;

e) Acquisition of rights to industrial and intellectual property;

f) Acquisition of rights to credit or other rights concerning economically valuable services in connection with an investment;

g) Purchase of production premises or other buildings (except dwellings) other than those supplementary to an investment, as well as their construction;

h) Contracting for performance of exploratory and exploiting operations and sharing in production in the field of natural resources.

Article 2—Contributions of foreign investors in Romania may consist of:

a) Capital in freely convertible currency;

b) Machines, equipment, transport means, subassemblies, spare parts and other goods;

c) Services and rights to industrial and intellectual property (such as patents, licenses, know-how, factory and trade marks, author's, translator's and publisher's rights) and knowledge and methods of organization and management;

d) Profits in freely convertible currency and in lei obtained according to law from activities performed in Romania.

Article 3—Foreign investors mean individuals or juristic persons resident or, as the case may be, headquartered abroad who make investments in Romania in any of the ways specified by the present law.

Article 4—Foreign investments may be made in all sectors of the fields of industry, exploration and exploitation of natural resources, agriculture, the infrastructure and communications, civic and industrial constructions, scientific research and technological development, trade, transportation, tourism, and banking, insurance and other services, provided that:

a) The standards of environmental protection are not violated.

b) The interests of Romania's national defense and security are not impaired.

c) No harm is done to public order, health and morality.

CHAPTER II

Guarantees

Article 5—Foreign investments in Romania may not be nationalized, expropriated, requisitioned or subjected to other measures with similar effects except in cases of public interest and with observance of the legally provided procedure and payment of compensation in keeping with the value of the investment, which payment must be prompt, adequate and effective.

Article 6—The compensation is determined according to the market value of the investment on the date any of the measures specified in Article 5 is taken.

Article 7—If the amount of the compensation cannot be determined according to Article 6, it is determined by the parties on the basis of equitable principles and according to the capital invested, the growth or depreciation of the value, and the current incomes.

Article 8—If the foreign investor does not accept the amount of the compensation determined according to Article 6 or Article 7 as the case may be, it will be determined by the courts on the legally provided terms at the investor's request.

Article 9—Foreign investors have the rights:

a) To participate in the management and administration of the investment according to the concluded contracts and accepted regulations;

b) To assign their contractual rights and obligations to other investors, Romanian or foreign;

c) To transfer the profits due them to foreign countries in freely convertible currency as well as a part of the profits in lei that is determined on the terms specified in Article 16;

d) To transfer to foreign countries the sums collected from an author's right and the amounts due them for specialized aid, expertise and other services, according to the concluded contracts;

e) To transfer to foreign countries the sums obtained in foreign exchange from total or partial sales of stock shares, obligations or other trade effects, as well as those realized from liquidating investments;

f) To transfer to foreign countries, in foreign exchange and in three annual installments, the sums obtained in lei from liquidating investments;

g) To transfer to foreign countries, in the due foreign exchange, the sums obtained in compensation if any of the measures specified in Article 5 is taken.

Article 10—Foreign investments made according to the provisions of the present law benefit by the legislation enacted by it for as long as they exist.

Article 11—Foreign investors benefit by the legislation enacted by the present law regardless of their citizenship or nationality as the case may be.

CHAPTER III

Facilities

Article 12—Machines, equipment, installations, devices, transport means and any other imported inventory essential to an investment and qualifying as the foreign investor's contributions are exempt from payment of customs duties.

Article 13—Imported raw materials, materials and subassemblies essential to production are exempt from payment of customs duties for a period of two years of operation of the investment project, computed from the date of activation of the capacity.

Article 14—Foreign investments are exempt from payment of the profit tax as follows:

a) Those made in industry, agriculture and construction, for a period of five years from the date on which productive activity begins;

b) Those made in exploration and exploitation of natural resources, communications and transportation, for a period of three years from the date on which the respective activity begins;

c) Those made in trade, tourism and banking and insurance services, as well as in any other services, for a period of two years from the date on which the activity begins.

In addition to the exemptions from payment of the profit tax specified above and after the set periods expire, reductions of the profit tax are granted as follows:

a) By 50 percent, if the profit is used in a unit founded in Romania to expand and modernize the technical-material base and manufacturing technologies or to extend the activity in order to make additional profits, and also if it is used for investment projects for environmental protection;

b) By 25 percent, if any of the following conditions is met:

—If at least 50 percent of the requirements for raw materials, energy and fuel is imported;

—If at least 50 percent of the products and services produced is exported;

—If over 10 percent of the outlays are used for scientific research and development of new technologies in Romania and for professional training;

—If at least 50 percent of the equipment and other devices needed to develop existing investment projects or to make new investments is procured out of the domestic output;

—If at least 50 new jobs are created by a new investment project or developments of existing investment projects.

Article 16—Foreign investors have the right to transfer, in convertible currency and out of the annual profits in lei, quotes of 8 to 15 percent of the contribution in cash and in kind in the form of convertible currency and paid into the registered capital, through an exchange of currency made by the Romanian Foreign Trade Bank or by other authorized banks, as follows:

a) A quota of 15 percent of the deposited registered capital, for ivnestments made in fields of particular interest to the national economy, including production of antipollutant technology determined by decisions of the government;

b) A quota of 12 percent of the deposited registered capital, for investments made in exploration and exploitation of natural resources, industrial and agricultural production, construction, communications and transportation other than those specified in Paragraph (a);

c) A quota of 10 percent of the deposited registered capital, for investments made in finance, banking and insurance;

d) A quota of 8 percent of the deposited registered capital, for investments made in other fields.

Article 17—The fields of particular interest to the national economy are determined by decision of the government, at the suggestion of the Romanian Development Agency.

At the government's suggestion, additional facilities may be granted by law for investments made in the fields specified in the above paragraph.

Article 18—If foreign investments are voluntarily liquidated within a period of time less than twice the one for which the foreign investors benefit by the exemptions specified in Article 14, they will be required to pay the set taxes, according to law, for the whole duration of the operation of the investment project.

The taxes due according to the above paragraph are paid primarily out of the proceeds from liquidating the investments or out of the other benefits due the foreign investors.

CHAPTER IV

Registration of Applications for Foreign Investments

Article 19—Regardless of their legal form, foreign investments in Romania are made on the basis of an application from the foreign investor registered at the Romanian Development Agency.

Article 20—The Romanian Development Agency analyzes the investor's character, the field and way in which the investment is to be made, and the amount of capital to be invested.

Article 21—The Romanian Development Agency answers foreign investors' applications on the basis of the data and information that it has or that it can obtain upon request from the central and local organs of the Public Administration and also from the independent administrations and trading companies in whose field the foreign investment is to be made.

The ministries and the other central and local organs of the Public Administration will reply to the agency's requests within 10 days.

Article 22—The Romanian Development Agency is required to reply to foreign investors' applications within 30 days of the date on which they are registered.

If a foreign investor receives no communication within the time limit set in the above paragraph, it is considered that the investment may be made.

Article 23—In the absence of any communication from the agency, foreign investors have the right to make investments on the terms specified by Romanian law and determined according to the way they are made and on the basis of confirmation from the Romanian Development Agency or of the foreign investor's application.

Article 24—The character of a foreign investor in Romania is attested by an investor's certificate issued by the Romanian Development Agency.

An investor's certificate is issued upon the foreign investor's request within 15 days of the date his request is recorded and upon presentation of the documents (company contract and regulations, commercial contracts or other legal acts), compiled in observance of the requirements of Romanian law and in consideration of the way the investment is made.

An investor's certificate can be shown to Romanian authorities in evidence of foreign investors' rights.

CHAPTER V

Commercial and Financial-Foreign Exchange Operations

Article 25—Collection and payment operations concerning foreign investments are performed through accounts in lei and in foreign exchange that are opened in banks headquartered in Romania or through accounts in foreign exchange that are opened in banks headquartered abroad.

Trading companies with foreign shareholders and other foreign investors have the right to dispose of available funds in their own accounts.

Article 26—Accounts in foreign exchange are supplied by investors' financial contributions, loans contracted for, and collections in foreign exchange.

Article 27—Trading companies with foreign shareholders and other foreign investors may contract for credits in lei and in foreign exchange from financing units in Romania or credits in foreign exchange from banks or financial institutions abroad.

Article 28—Operations of trading companies with foreign shareholders and of other foreign investors are based on commercial contracts concluded, according to law, at the agreed prices in lei and in foreign exchange.

Article 29—Payments in foreign exchange, including the benefits in foreign exchange due foreign investors, are made only out of available foreign exchange in personal accounts or in those of trading companies with foreign shareholders as the case may be.

Article 30—Profits in foreign exchange or in lei that are due foreign investors may be used by them to make new investments in Romania or to buy Romanian goods and services, or they may be exchanged according to law on the financial market.

CHAPTER VI

Final Provisions

Article 31—When foreign investments in Romania are made in the form of trading companies in association with Romanian individuals or juristic persons, the Romanian associates may establish, as a contribution to the registered capital, a right of ownership or other real-property rights to the land or to other necessary real property for the whole duration of the trading company.

Article 32—The foreign personnel necessary to conduct the activity of the foreign investment project are determined by agreement of the parties or by the foreign

investor as the case may be and will be employed only in managerial and specialized positions.

Article 33—The salaries of Romanian and foreign personnel employed to conduct the activity for foreign investment projects are determined by agreement of the parties.

Article 34—The provisions of the present law apply if the international accords and agreements on foreign investments, to which Romania is a party, do not specify any other regulation.

Article 35—As of the date the present law goes into effect, Decree No. 424 of 1972 on Formation and Operation of Mixed Companies in Romania and Decree-Law No. 96 of 1990 on Measures to Attract Investment of Foreign Capital in Romania, as well as any other provisions to the contrary, are hereby abrogated.

This law was ratified by the Senate at the 29 March 1991 session.

President of the Senate
Academician Alexandru Birladeanu

This law was ratified by the Assembly of Deputies at the of 29 March 1991 session.

President of the Assembly of Deputies
Martian Dan

On the basis of Article 82 Paragraph (m) of Decree-Law No. 92 of 1990 for the Election of Parliament and the resident of Romania, we hereby promulgate the Law Governing Foreign Investments and order its publication in MONITORUL OFICIAL AL ROMANIEI.

President of Romania
Ion Iliescu

Bucharest, 3 April 1991

No. 35

Law on Registry of Trade

91BA0573A Bucharest MONITORUL OFICIAL in Romanian 7 Nov 90 pp 1-5

["Text" of Trade Registry Law passed by the Romanian Parliament on 5 November 1990]

Trade Registry Law

CHAPTER I

General Dispositions

Article 1—Before opening their business, merchants are obligated to apply to be entered in the trade registry; while they are in business and when they close down they must apply to have recorded in the same registry the documents and transactions whose registration is required by law.

For the purpose of the present law, merchants are individual persons who routinely engage in commercial transactions, commercial associations, autonomous managements, and cooperative organizations.

The provisions of paragraph 1 do not apply to artisans and farmers who market their own products.

Article 2—The trade registry is kept by a trade registry office organized in each county and in Bucharest Municipality according to the provisions of Chapter II of the present law.

The central trade registry is kept by the National Trade Registry Office affiliated to Romania's Chamber of Commerce and Industry.

Article 3—Merchants will apply for registration with the trade registry office in the county or Bucharest municipality, wherever they have their headquarters.

Article 4—The trade registry is public.

The trade registry office is obligated to issue certified copies—at the applicant's expense—of the registration or of the notes made and documents presented, as well as certificates attesting that a given document or transaction was not recorded or noted in the registry.

Article 5—The registration and notes may be subject to third party demurrer as of the date of entry in the trade registry or their publication in the MONITORUL OFICIAL or any other publication, where the law applies.

A person who is obligated to apply for registration may not file a demurrer against third parties on transactions or documents not recorded, except if he can prove that they were known to the latter.

Article 6—Entries will be registered only on the basis of a report by a delegated judge or a final court decision, as the case may be.

Article 7—The courts are obligated to send to the trade registry office notarized copies of the final decisions and reports concerning the documents and notes that must be legally registered, within 15 days of the date on which they became final.

In these reports and decisions the courts will also order the entry of the registrations in the trade registry.

Article 8—The legality of the operations carried out by the trade registry office will be inspected by one of the judges of the county court or of the Bucharest municipality court, who will be delegated by the president of the court in question on a yearly basis.

The judge will inspect the trade registry at least once a month. Each page checked will be stamped and signed and the date of the inspection will be noted.

The judge's inspection does not absolve the office personnel in charge of managing and carrying out the trade

registry operations of responsibility for ensuring that the entries comply with the law.

CHAPTER II

Trade Registry Office

Article 9—The trade registry office will be organized and will operate in affiliation with each regional chamber of commerce and industry.

The National Trade Registry Office will be organized and will operate in affiliation with the Romanian Chamber of Commerce and Industry.

The trade registry offices envisaged in paragraph 1 will communicate to the National Trade Registry Office any entry or note operated within 15 days of its date.

Article 10—The organizational structure, number of personnel, and pay scale of the personnel employed in the county and Bucharest municipaclity trade registry offices will be uniformly set by the Romanian Chamber of Commerce and Industry.

The norms of internal organization and operation of the offices will be established in the same manner.

The personnel required to operate the trade registry offices will be hired by competition by the regional chambers of commerce and industry. The running expenses and the payroll will be financed from the budgets of the regional chambers of commerce and industry.

Article 11—The trade registry office will charge a fee for the operations carried out according to a tariff established by the Romanian Chamber of Commerce and Industry together with the Finance Ministry.

The percentage earmarked for the national office, which may not exceed 20 percent of the fees established as per paragraph 1, will be charged through the trade registry office which did the entry and will be remitted to the national office on a monthly basis.

The fees, with the exception of those due the national office, will be paid as income into the budget of the chamber of commerce and industry to which the regional office is affiliated.

Article 12—The trade registry office will keep the trade registry, which will consist of one register for recording individual merchants and one for recording firms, and a card file for each merchant.

The office will also keep an alphabetical roster of the merchants registered and files containing the documents deposited.

The registers will be numbered and stamped by the judge delegate. One register will be opened for each year.

Each merchant registered will be assigned a serial number, beginning with the number one each year.

All the offices will use the same system for keeping and filling out the trade registry and the card files in accordance with norms established by the Romanian Chamber of Commerce and Industry and the Ministry of Commerce and Tourism.

CHAPTER III

Entering Registrations

Article 13—The application for entering an individual merchant in the trade registry will feature:

a) First and last name, address, citizenship, date and place of birth, marital status, assets and how they were evaluated, and previous commercial activities;

b) The trade firm and its address, the address of its branches or outlets in the country and abroad, and trade permit;

c) Trade object.

The registration application will be accompanied by documents attesting the correctness of the information provided.

The registration application will be filed personally or by a representative equipped with a special, authentic power of attorney.

The office will enter all the information featured in the application in the trade registry.

The merchant will sign the trade registry in order to provide a signature sample, in the presence of the delegated judge or the office manager or his deputy, who will authenticate the signature.

In the absence of the merchant, the signature in the register may be replaced by a notarized sample.

Article 14—The registration application of a collective firm or limited company will feature:

a) The data listed under article 13, point a, for each partner for private persons and, according to case, the name, nationality, and office address for legal firms;

b) The data listed under article 13, point b;

c) The legal form or organization and the object of the association;

d) Social capital, each partner's share of capital, and the system of formation and payment of the capital; in the case of assets contributed, their value and method of estimation;

e) The administrators of the association and the scope of their authority;

f) Each partner's share of the profit and loss;

g) The duration of the association.

Article 15—The registration application of a stock or limited liability company will feature:

a) Data concerning the founders as envisaged under article 14, point a;

b) The name and headquarters of the company and of its branches and outlets, where applicable;

c) Legal form of organization and object of the company;

d) The social capital subscribed and the capital deposited;

e) The value of the assets contributed and how they were evaluated, the number of shares issued for them, and the advantages reserved for each founding member;

f) The number and nominal value of the shares, specifying whether they bear the owner's name or are bearer shares, and their number according to categories;

g) The number, first and last name, and citizenship of the managers, the bond they are obligated to deposit, the scope of their authority, and any special administrative and representative prerogatives assigned to some of them; in the case of public stock companies, the first and last name, address, and citizenship of the partners or their firm, nationality, and headquarters where applicable, specifying which ones are in charge of the administration and representation of the company;

h) The number, first and last name, and citizenship of the auditors;

i) Method of profit distribution;

j) Conditions for validating the decisions of the general assembly and exercise of voting rights;

k) Duration of the company;

l) Capital contributions by each partner in a limited stock company;

m) Operations carried out by the founding members on behalf of the company formed and operations that the company will assume, and the amounts that are to be paid for the operations in questions.

Article 16—The registration application of a limited liability company will feature the data envisaged under article 14, and where applicable under article 15, point b.

Article 17—The registration application of an autonomous management will feature:

a) The founding document and its name and headquarters;

b) Object of activity;

c) Departments that may enter into contractual relations with third parties and the scope of the authority awarded for that purpose;

d) The persons empowered to represent the autonomous management and its departments listed under point c.

Article 18—A cooperative organization established in the legal form of a commercial association will be registered in the trade registry in line with the provisions of articles 14-16 as applicable; for other cooperative organizations the registration application will show the data listed under article 17.

Article 19—A sample signature of the administrators, and where applicable of the representatives of commercial associations, and of the persons legally empowered to represent autonomous managements or cooperative organizations, will be authenticated in keeping with the provisions of article 13, paragraphs 5 and 6.

Article 20—Unless otherwise envisaged in the law, the trade registration application will be filed within 15 days:

—of the date on which the judge legally ordered the registration, for trade associations;

—of the date of authorization for individual merchants;

—of the date of the founding document, for autonomous managements and cooperative organizations.

The trade registration application of a trade association will be signed by at least one administrator or, where applicable, one of his representatives or, in keeping with the law, any partner; in the case of autonomous managements or cooperative organizations, by the persons legally empowered to represent them.

Article 21—The trade registry will show mentions of:

a) The transfer, sale, lease, or deposit of the commercial stock and any other transaction by which the registration or entries are modified or which may result in the closing down of the firm or commercial stock;

b) The name, citizenship, date and place of birth of the authorized representative; if the power of representation is limited to a given branch or outlet, mention will be made only in the registry in which the branch or outlet is registered. The representative's signature will be submitted in the form envisaged in article 13, paragraphs 5 and 6;

c) Invention patents, trademarks, marketing and service logos, original names, indications of origin, firm, symbol, and other distinctive marks to which the commercial association, autonomous management, cooperative organization, or individual merchant have a right;

d) Any divorce decision of the merchant's and any decision on the division of joint property pronounced while the business was in existence;

e) Any decision to put the merchant under interdiction or guardianship and the decision under which such measures are lifted;

f) Any decision to declare bankruptcy;

g) Any decision to sentence the merchant for penal actions that disqualify him from exercising this profession;

h) Any change affecting the actions and entries recorded.

Article 22—The merchant is obliged to apply to have the entries cited in article 21 registered in the trade registry within at most 15 days of the date of the documents and actions that must be recorded.

The entries may also be registered at the request of persons concerned within at most 30 days of the date on which they became aware of the document or transaction that needs to be recorded.

The entries will be automatically registered within at most 15 days of the date on which a legalized copy of the final decision concerning the documents and transactions envisaged under article 21, points d, e, f, and g was received.

The fact that the entries can be registered at the request of other persons or automatically does not absolve the merchant of the obligation to request their registration.

Article 23—A merchant who has branches or outlets must apply to have them registered at the trade registry office where each branch or outlet is located.

Upon request, the office where the firm's main headquarter was registered may also be shown in addition to the data stipulated in the present law for merchant registration.

The merchant will attach to the registration application copies of all the documents and permits deposited at and certified by the main headquarters office.

The trade registry office of the branch or outlet will give to the trade registry office of the merchant's main headquarters a copy of the registration effected in order to have it entered in the respective trade registry.

Any changes effected in the trade registry at the main headquarter concerning founding documents must also be entered in the trade registry of the branch or outlet.

Article 24—A merchant whose main business headquarters is abroad and who sets up a branch or outlet in Romania will be liable for all the provisions regarding the registration, recording, and publication of the documents and transactions required of local merchants.

All these forms will be completed at the trade registry office of the respective branch or outlet.

Article 25—Anyone who believes his interests to be affected by the registration or any other entry in the trade registry is entitled to request that it be expunged.

The delegated judge will pronounce on the expunging request in a decision, citing the parties.

The decision may be contested and appealed at the county or Bucharest municipality court within 15 days of its pronouncement.

The court will immediately adjudicate the appeal in the counsel chamber.

Article 26—Merchants are obligated to note the serial number under which the business is registered in the trade registry and the year of registration on all bills, letters, offers, orders, tariff lists, brochures, and any other documents used in the business.

CHAPTER IV

Firm and Emblems

Article 27—The firm is the title or, as the case may be, the name under which a merchant carries out his business and under which he applies his signature.

The emblem is the mark or name that differentiates between merchants in the same business.

Firms and emblems will appear in the Romanian language first.

Article 28—The firm of an individual merchant is made up of the merchant's name written in full, or of his surname and the initial of his first name.

The firm may not add to the firm any misleading name concerning the nature or scope of the business or the situation of the merchant. Details providing more precise information on the person of the merchant or his business may be mentioned.

Article 29—The firm of a partnership association must feature the name of at least one of the partners and the mention "collective partnership" written out in full.

Article 30—The firm of an incorporated company must include the name of at least one of the stock holding partners and the mention "incorporated company with shares" written out in full.

Article 31—If the name of a person outside the association appears—with his consent—in the firm of a partnership association or incorporated company, the person in question becomes equally responsible for and shares in all the obligations of the association. The same rule applies to the stock holder whose name appears in the firm of an incorporated company.

Article 32—The firm of an association with public shares or an incorporated company will be made up of a special name designed to distinguish it from other companies' firms and will be accompanied by the mention "public shares company" written out in full or "S.A.," or, according to case, "incorporated company."

Article 33—The firm of a limited liability association will consist of a name indicating its area of activity and will be accompanied by the mention "limited liability company" written out in full or "SRL" [Ltd.].

Article 34—The firm of the Romanian branch or outlet of a foreign company will have to mention the main headquarters abroad.

Article 35—Any new firm must be different from all existing ones.

When a new firm resembles another, a notation must be added to distinguish it from the first either by more precisely describing the person or by indicating the kind of business conducted, or by any other means.

Article 36—The trade registry office must refuse to register a firm that may produce confusion with other registered firms by not introducing different elements.

Article 37—A firm may not use a name used by public sector businesses.

Article 38—A person who acquires a business in any form may continue the business under its previous name, mentioning in it his status as a successor, if the previous owner or his heirs have expressly agreed. This regulation does not apply to partnerships, incorporated companies, associations with shares, and public stock companies.

Limited liability associations may preserve the previous firm without having to mention the change of hands.

Article 39—The firm may not be transferred separately from the commercial stock for which it is used.

Article 40—Any emblem must be different from other emblems registered in the same trade registry for the same kind of business and from the emblems of other businesses in the market in which the merchant is operating.

Emblems may be used on advertising panels wherever they may be displayed, on bills, letterheads, orders, tariff lists, brochures, posters, publications, and in any other way, provided they are visibly accompanied by the merchant's name.

If the emblem features a name, the name of the firm must be written in letters at least half as large as the emblem lettering.

CHAPTER V

Sanctions

Article 41—Merchants who must apply for registration or to enter a notation, or provide a signature or certain documents and who do not observe the law and the stipulated deadlines, will be sentenced by a court decision to pay a civil fine of between 1,000 and 25,000 lei.

The civil fine will be between 2,000 and 50,000 lei if the registration, notation, or signature or document filing are to be done by a trade association. If several persons are responsible for compliance, each one of them will be fined.

Article 42—Merchants who do not comply with the obligations stipulated in Article 26 will be sentenced by a court decision to pay a civil fine of 1,000 to 5,000 lei.

Article 43—The court in charge of applying the fines stipulated in Article 41 may be notified by any person concerned or by the regional chamber of commerce and industry in charge of the trade registry office whose authorization was requested or which should have been applied to for a registration, to record a notation, or to put a signature or a document on file, and, in cases such as stipulated in Article 42, by the regional chamber of commerce and industry in charge of the trade registry office where the firm was registered.

Article 44—The civil fines stipulated by Articles 41 and 42 fall under the common law regulations concerning fines of the Code of Civil Procedure and will be applied by the court in whose jurisdiction the violation was committed.

Article 45—A person who deliberately gave incorrect information for the registration or for entering a notation in the trade registry will be punished by three months to two years imprisonment or a fine of 10,000 to 50,000 lei, unless, by law, the violation in question constitutes a more serious offense.

In its decision the court will also order the correction or expunging of the incorrect registration or notation.

CHAPTER VI

Final and Temporary Provisions

Article 46—In counties in which there are no local chambers of commerce and industry the trade registry offices will be affiliated to and will operate in conjunction with the regional chamber of commerce and industry established by the Romanian Chamber of Commerce and Industry.

Article 47—For the years 1990-91 the necessary space and material conditions required for the operation of the National Trade Registry Office and for each trade registry office will be provided by the prefect's office and the Bucharest municipality city hall, respectively.

By 1 January 1992, the equipment put at the disposal of the offices will be transferred without payment to the ownership of the regional chambers of commerce and industry.

Article 48—The Romanian Chamber of Commerce and Industry and the regional chambers of commerce and industry will ensure the implementation of a uniform automatic data processing system for the trade registry.

Until 31 December 1991 the prefectures will contribute to the outlays required to implement the automatic data processing system of the trade registry if the amounts received in registration fees do not cover the expenses necessary for the organization and operation of the offices in question.

The provisions of the present law concerning the counties and prefectures also apply to the Bucharest municipality and its city hall.

Article 49—Businesses with foreign capital participation established before the enactment of the present law will be entered in the trade registry on the basis of a certificate issued by the Finance Ministry without having to pay the fee.

Article 50—Within at most 45 days of the enactment of the law, the merchants in business as of that date are obliged to complete the registration formalities and enter the documents and notations envisaged by law.

Article 51—The present law will come into effect within 30 days of its publication in MONITORUL OFICIAL.

This law was passed by the Assembly of Deputies at its 22 October 1990 session.

President of the Assembly of Deputies
Dan Martian

This law was passed by the Senate at its 29 October 1990 session.

President of the Senate
Academician Alexandru Birladeanu

In accordance with article 82, point m of Decree/Law No. 92/1990 on the election of the parliament and president of Romania, we promulgate the law on the trade registry and order its publication in Romania's MONITORUL OFICIAL.

President of Romania
Ion Iliescu

Bucharest, 5 November 1990

No. 26

Resolution on Second Stage of Price Liberalization

91P20337A Bucharest MONITORUL OFICIAL in Romanian 29 Mar 91 pp 7-11

[Resolution of the Government of Romania on the second stage of the liberalization of prices and fees]

[Text] The Government of Romania resolves:

Article 1—Autonomous managements and companies with state capital will set and adapt wholesale prices and fees on the basis of the combined action of supply and demand, by negotiation with beneficiary economic agents, regardless of their form of ownership.

To prevent price speculation or monopoly, wholesale prices which will be negotiated in accordance with the preceding paragraph will not exceed those resulting from the application of the prices and fees which were legally determined by the observance of the provisions of government resolutions Nos. 1109, 1154, and 1355/1990, and of the maximum indices for increases stipulated in Attachment No. 1 of the present resolution for groups or subgroups of products and for products on an ad hoc basis.

In situations in which prices and fees have not been negotiated for some products and services, or an agreement has been reached by deviating from the provisions of the resolutions of the government stipulated in the preceding paragraph, the application of the maximum indices for increases will be carried out for the prices and fees devised on the basis of those resolutions.

Article 2—Wholesale prices and fees for products and services executed or performed by economic agents, other than autonomous managements and trade companies with state capital, are set freely, on the basis of supply and demand, by negotiation of prices with free and fair competition, since the practice of price speculation or monopoly is prohibited.

Autonomous managements and trade companies with state capital negotiate wholesale prices and fees with economic agents in the private and cooperative sectors for goods supplied and services performed for the purpose of production or for resale, within the limits of the prices and fees negotiated for the same product or service with suppliers and providers of services in the state sector.

Article 3—Wholesale prices and fees in lei for products and services intended for production and for investments which have their source in import—regardless of the form of ownership or the importing economic agent—are set on the basis of foreign prices in hard currency expressed in lei at the official exchange rate in force to which are added the customs taxes, the tax on the circulation of goods, and the commission due to the export-import company.

Article 4—For quantities of chemical fertilizers, pesticides, and medications for veterinary use, which are delivered to agriculture, the differences compared with the wholesale prices in effect as of 31 March 1991 are covered, temporarily, out of the state budget.

Article 5—For basic food products, both domestic and imported, the maximum price limits are set in Attachment 2 to this resolution. The economic agents, regardless of the form of ownership, negotiate the wholesale prices in the framework of these prices.

For other consumer goods—food and nonfood items—retail prices are set by autonomous managements and companies with state capital on the basis of the wholesale prices negotiated between the producers and the merchants in the framework of the maximum indices stipulated in the present resolution and on the basis of the trade supplement—an amount determined by the marketing system, the nature of the product, and the category of the registration of the units on the basis of the certificates for operation, in accordance with the maximum amounts in effect.

Article 6—In accordance with the program for the social protection of the population, the retail prices and fees in force as of 31 October 1990 remain unchanged for electric and thermal energy, rents for housing, fuel for heating and for preparing food, fares for passenger transportation, domestic and imported prostheses and orthopedic equipment, stipulated in Attachment No. 3 to this resolution. For these products and services, the price differences are covered temporarily out of the state budget.

Article 7—Products made by economic agents in the private and cooperative sectors which are identical to those from the state sector and which are made from raw materials and other materials from this sector will be sold at negotiated retail prices within the limits of the prices in effect in units of the public sector.

Article 8—The provisions of the present resolution are supplemented by those of Government Resolution No. 211 of 26 March 1991 on measures in the domain of prices and fees.

Article 9—Autonomous managements, trade companies with state capital, and other state economic units will take inventory and reevaluate their stocks of raw materials, other materials, fuels, semifabricated products of their own manufacture, unfinished products, finished products, goods and other products existing as of 31 March 1991, on the basis of the prices set under the conditions of this resolution, according to the norms of the Ministry of Finance.

Article 10—The Ministry of Finance, the Ministry of Resources and Industry, the Ministry of Trade and Tourism, the other ministries and central organs, the offices of the prefects, and the office of the mayor of Bucharest Municipality will follow up and monitor the strict application of the provisions of this resolution, taking measures to penalize violators, in accordance with the law.

Article 11—The Department of Domestic Trade in the Ministry of Trade and Tourism, together with the Department for Forecasting, Monitoring, and Liberalizing Prices in the Ministry of Finance will analyze and present to the Government, within 15 days of the date of this resolution, proposals for updating the prices of imported consumer goods of the category of those regulated by Government Resolution No. 489/1990 on setting retail prices for imported products intended for the market.

Article 12—This resolution goes into effect on 1 April 1991.

The following are abrogated as of the same date:

—Government Resolution No. 770/1990 on setting production prices for products delivered as spare parts;

—Article 2 of Government Resolution No. 1081/1990 on determining hard currency prices for new construction work and for repairs of constructions and installations connected with them which are executed for the people by authorized state and cooperative units;

—Government Resolution No. 1109/1190, with the exception of articles 8-10, 14, 20-26, 30-31, and attachments Nos. 2 and 3, since they were adapted later;

—Article 12 of Government Resolution No. 15/1991 on the establishment of incorporated pharmaceutical trade companies as well as any other conflicting provisions.

Prime Minister Petre Roman

Bucharest, 29 March 1991
No. 239

Attachment No. 1

Maximum Indices for Modifying Wholesale Prices

Product	Maximum Index for Modifying Wholesale Prices (Government Resolution No. 1355/1990 prices = 100)
1. Crude oil with 45 percent pure products	106
2. Natural gas	105
3. Natural gasoline	100
4. Coals	120
5. Nonferrous metals in concentrate	120
6. Sulphur in concentrate	100
7. Bauxite with 55 percent A12 03 and 4.5 percent SiO2	115
8. Iron ore with55 percent iron	115
9. Zirconium and ilmenite concentrates	135
10. Uranium concentrate	135
11. Refractory sand with 28 percent A12 03	119
12. Salts	120
13. Metallurgical coke	140
14. Electrolytic copper with 99.97 percent copper	135
15. Electrolytic zinc and lead	135
16. Block aluminum	130
17. Electric energy (average price)	150
18. Thermal energy (average price)	117
19. Thermal energy distribution	117
20. Railroad transportation	115
21. Utility aviation (services)	107
22. Civil aviation (services)	108
23. Auto transportation	108

Maximum Indices for Modifying Wholesale Prices (Continued)

Product	Maximum Index for Modifying Wholesale Prices (Government Resolution No. 1355/1990 prices = 100)
24. River transportation of passengers with tickets	115
25. Motor fuels	100
26. Kerosene (white spirit)	100
27. Mineral oils	110
28. Fuel oil	105
29. Heavy gasoline	100
30. "Aragaz"	103
31. Heating fuel	107
32. Aromatic petroleum fractions	123
33. Pitch	109
34. Petroleum coke	128
35. Chemical fibers and yarns	125
36. Synthetic rubber	128
37. Caustic soda	125
38. Polyvinyl chloride	138
39. Polyethylene with indigenous ethylene	132
40. Polystyrene and ABS granule polymers	120
41. Polypropylene granules	130
42. "Nadolsin"	123
43. "Novolacuri" [varnishes]	116
44. Furane resins	115
45. Water-soluble phenoformaldehyde resins	117
46. Varnishes, paints, thinners, and adhesives	110
47. Automobile tires and inner tubes	130
48. Medications for human use	300*
49. Soap	200*
50. Detergents	320*
51. Other products of the chemical and petrochemical industries	130
52. Construction materials	107
53. Reinforced concrete prefabricates	120
54. Pig iron	155
55. Low-alloy steel and carbon steel	140
56. Alloy steel and high-alloy steel	145
57. Rolled carbon steel and low-alloy steel	135
58. Rolled alloy steel and high-alloy steel	140
59. Refractory and abrasive products	132
60. Coal products	135
61. Nonferrous rolled products	130

Maximum Indices for Modifying Wholesale Prices (Continued)

Product	Maximum Index for Modifying Wholesale Prices (Government Resolution No. 1355/1990 prices = 100)
62. Other ferrous and nonferrous metallurgical products	140
63. Dentistry alloy, "Gaudent"	150
64. Dentistry alloy, "Palidor"	110
65. Dentistry alloy, "Paliac"	125
66. Wood by the foot (gross volume without bark)	100
67. Raw wood products (logs and lumber)	108
68. Wood planks	128
69. Pulp	115
70. Furniture	110
71. Paper (pasteboard)	112
72. Household glassware and ceramics	110
73. Notebooks, scrap paper, school supplies	450*
74. Other products of the wood industry	107
75. Products of the electrotechnical, electronics, and precision mechanics industries	120
76. Highway vehicles	124
77. Nuclear power plant equipment	135
78. Aircraft	145
79. Other products of the machinebuilding industry	120
80. Textile clothing and knitwear, with the exception of those made of cotton	110
81. Cotton textile clothing and knitwear	120
82. Shoes with uppers made of natural leather or substitutes and other leather articles	130
83. Medicinal wadding	125
84. Students' book bags and briefcases	120
85. Postal services	236*
86. Telecommunications services:	
—for physical persons	125*
—for juridical persons	200*
87. Services for radiocommunications	175*
88. Schoolbooks	250*

* Compared to prices and fees as of 31 October 1990

Note: Prices for quality and assortment are set by negotiations between by producers and beneficiaries within the limit of the maximum indices stipulated in this attachment.

—The indices for modification given above are valid for domestically produced items, with the exception of

crude oil and natural gas, to which the indices mentioned refer and also for imported items.

—For the other products and services, the provisions of Article 1, last paragraph, of Government Resolution 1355/1990 are maintained.

—The delivery conditions in effect on 31 October 1990 are maintained. For gasoline, diesel oil, kerosene, white spirit, and mineral oils, the delivery condition is free storage or PECO station and for fuel oil and heavy gasoline, it is free transit station of destination; for crude oil, the delivery condition is loco refinery.

—Intermediary products in the metallurgical and wood industries, as well as petroleum, petrochemical, and chemical products, continue to be exempt from the tax on the transportation of goods, in accordance with Ministry of Finance Order No. 141/1991.

Attachment No. 2

Retail Prices for Some Basic Food Products Consumed by the Population and the Maximum Indices for Groups and Subgroups Within the Limits of Which the Prices of Food Products Are Modified

Products	Unit of Measure	Retail Price; Maximum Limit in Lei Per Unit of Measure	Maximum Indices for Modifying Retail Prices Compared to Prices in Effect on 31 October—in percents
1. "Bucuresti" rolls, 500 grams each	each	9	225
2. First quality beef with bone (rib steak, sirloin steak, leg and back), packaged	kg	100	200
3. First quality pork, without fat, with bone (neck, slice with rib, leg, and back), packaged	kg	90	243
4. First quality chicken, without head, legs, and neck, packaged	kg	60	200
5. Summer salami	kg	140	219
6. Pasteurized cow's milk, with 1.8 percent fat	liter	10	222
7. Top quality butter with 80 percent fat, in 200-gram packages	pkg	25	200
8. Cow's milk cottage cheese, first quality (minimum 42 percent fat)	kg	60	214
9. "Medgidia" cottage cheese from sheep's milk, with 50 percent fat	kg	100	238
10. Sugar crystals (castor sugar)	kg	32	229
11. Top-quality sunflower oil in 1-liter bottles	liter	40	222
12. Hens' eggs weighing more than 50 grams each	each	3	167
13. Fish and canned fish	—	—	300
14. Canned meat and meat mixtures (meat with vegetables)	—	—	240
15. Canned vegetables and fruit	—	—	360
16. Bean seeds	—	—	310
17. Fall potatoes	—	—	250
18. Flour and semolina	—	—	240
19. Corn flour	—	—	300
20. Pasta	—	—	240
21. Rice	—	—	260

Note: For other types of food products in the category of the groups, subgroups, and products stipulated in the present attachment, the wholesale prices will be set within the limits of the maximum indices established by the Ministry of Agriculture and Food with the agreement of the Department for Forecasting, Monitoring, and Liberalizing Prices in the Ministry of Finance.

—The Department for Forecasting, Monitoring, and Liberalizing Prices in the Ministry of Finance will establish the maximum indices for modifying prices for other groups, subgroups, products, and services not stipulated in this attachment, for economic agents with state capital.

—The prices are understood in terms of the quality and delivery conditions in effect on 31 October 1990.

Attachment No. 3

List of products and services intended for the population in which retail prices and fees are not modified and for which subsidies are given out of the budget:

1. Electric energy
2. Thermal energy
3. Firewood
4. Coal and coal briquets
5. Kerosene
6. Liquid heating fuel
7. Type M fuel
8. Natural gas
9. Liquified gas
10. Rent for housing
11. River transportation in the Delta for local residents
12. Fares for urban and interurban passenger transportation
13. Prostheses and orthopedic products

Memorandum on Foreign Exchange Operations for Banks

91BA0576B Bucharest MONITORUL OFICIAL in Romanian 10 Apr 91 p 4

["Text" of Government of Romania memorandum on foreign exchange operations through banks]

[Text] In applying the legal provisions on the way foreign exchange operations are performed through banks, it has been found that some economic agents are performing these operations through banks abroad in order to steal from the foreign exchange system in force.

According to the nature of the activity, it is necessary to open accounts abroad as well, but only on the terms set by the National Bank of Romania which, according to Article 2 of the Law on Banking Activity, is authorized to set regulations on foreign exchange and payments.

In conformity with the provisions of Article 25 of the Law Governing Foreign Investments, it is specified that collection and payment operations concerning foreign investments are performed through accounts opened at banks headquartered in Romania or headquartered abroad.

Inasmuch as the respective article refers to operations in connection with foreign investment projects and not to their operation after they have been implemented, it follows that making payments through accounts in foreign exchange opened at banks and abroad has to do only with the act of making the investment as it is defined in Article 1 of the above-mentioned law, while the investment project can be implemented and commercially exploited only with observance of the general system for performing foreign exchange operations in Romania.

Consequently, the economic agents in question can make payments through accounts abroad with the authorization of the National Bank of Romania, which is clearly unlikely to prejudice their interests.

In view of the foregoing, the organs of the Public Administration will bear the following points in mind:

1. Independent administrations, trading companies, the other categories of economic agents and any other juristic persons shall perform foreign exchange operations through accounts opened at Romanian commercial banks or subsidiaries of foreign banks operating in Romania.

2. Juristic persons and the other economic agents specified in Paragraph 1 shall be permitted to open accounts abroad only with the preliminary authorization of the National Bank of Romania.

3. The provisions of Paragraph 2 do not apply to payments made by foreign investors in order to implement the initial investment. Those payments may also be made out of their accounts abroad.

Assistant minister of the prime minister
for reform and relations with Parliament
Adrian Severin

Law on Transfer of Funds From Kosovo National Bank

91P20332A Belgrade SLUZBENI GLASNIK in Serbo-Croatian 29 Mar 91 p 637

["Text" of law on depositing funds into commercial banks from Kosovo National Bank]

[Text] On the basis of Article 83, point 3, of the Constitution of the Republic of Serbia, I issue a decree on the announcement of the law on transfer of funds from reserves in the Kosovo National Bank for deposits in banks.

The law on transfer of funds from deposits in the Kosovo National Bank for deposits in banks, adopted by the National Assembly of the Republic of Serbia at the third meeting of the first regular session on 29 March 1991, is announced.

Regulation No. 15

Belgrade, 29 March 1991

[Signed] President of the Republic, Slobodan Milosevic

The law on transfer of funds from reserves in the Kosovo National Bank for deposit in banks:

Article 1

This article regulates the transfer of funds from reserves in the Kosovo National Bank for deposit in commercial banks.

Article 2

The funds in Article 1 of this law which have been deposited in the Kosovo National Bank are considered to be part of the budget of the Autonomous Province of Kosovo and Metohije, the municipalities on the territory of the Province and of their holdings, as well as all the funds of their administrative organs and their organizations.

The funds in paragraph 1 of this article are in the names of individual parties within the framework of accounts established in Article 3 of the Law on transfer of funds of social-political communities to the Kosovo National Bank (SLUZBENI LIST SAPK [Official Gazette of the Socialist Autonomous Province of Kosovo], No. 24/78 and 12/79).

Article 3

The transfer of funds in Article 2 of this law from the Kosovo National Bank for deposit in banks will be carried out by the Public Auditing Service on the basis of the agreement on the depositing of funds.

The bank will submit a request to the Public Auditing Service to deposit the funds in Article 2 of this law within the framework of the established deadline in paragraph 1 of this article with the consent of the Kosovo National Bank.

Article 4

The transfer of funds in Article 2 of this law is carried out by withdrawing these funds from the account of the Kosovo National Bank and by depositing them into accounts of banks on the basis of requests submitted as specified in Article 3 of this law and on the basis of signed agreements on the depositing of funds.

Article 6

On the day this law comes into force, the law on transfer of funds of social-political communities to the Kosovo National Bank (SLUZBENI LIST SAPK, No.24/78 and 12/79), the regulation of Article 7, a part of the sentence in Article 75 which reads "except from income from interests on credits from funds of social-political communities deposited at the Kosovo National Bank," and Article 76 of the Lav on Kosovo National Bank (SLUZBENI LIST SAPK, No.47/77, 37/80 and 42/84), will cease to be in force.

Article 7

This law comes into force the day after its announcement in the SLUZBENI GLASNIK of the Republic of Serbia and in the official gazette of the Autonomous Province of Kosovo and Metohija.