

Ukraine: Restrictions About to Be Imposed on Prices for Imported Pharmaceuticals

On 20 October 2009, the Ukrainian Parliament approved in final reading the *Law on the Moratorium on the Increase of Prices for Pharmaceuticals and Medical Products*.

This Law requires that imported pharmaceuticals must be sold at their prices that existed as of 1 July 2008. Domestically produced pharmaceuticals must be sold at the official prices regulated by the Ukrainian state. The moratorium on the increase of prices will apply for the period of the duration of the financial crisis and until:

- The minimum salary and pensions in Ukraine are established by law at the level of the subsistence wage (cost of living);
- all unpaid wages and salaries are paid to working people; and
- all unpaid stipends are paid to university students and cadets enrolled in law enforcement and military colleges and academies, as well as to other students and pupils.

These new restrictions apply both to pharmaceuticals sold in retail establishments and to those supplied to hospitals and other clinics.

The Law will take effect on the date of its publication in the relevant official media. However, prior to its publication, the Law must be submitted for the signature of the President of Ukraine. If the President vetoes it then, the Ukrainian Parliament can attempt to overcome his veto by a positive vote of at least 300 Parliamentary Deputies.

Efforts are currently being made by the healthcare business community in Ukraine to prevent the Law from taking effect, due to the potentially disastrous consequences of the Law for the health and life of patients, who need those pharmaceuticals coming within the scope of the Law. It is very likely that foreign pharmaceutical suppliers will stop their sales into Ukraine if prices will be scaled back to July 2008 and frozen there.

The Law has also been criticized by various legal experts, due to its conflict with the Constitution of Ukraine. Bringing a challenge of the Law before the Constitutional Court appears to be a must-do step if the Law will not be vetoed by the President, or if his veto will be overcome by the Parliament, and will be published and take effect.

Additional notes

For further information on the topic please contact Mr. James Hitch, the Managing Partner, or Ms. Mariana Marchuk, a Senior Associate, at the Kyiv Office of Baker & McKenzie by telephone (380 44 490 7070), facsimile (380 44 490 6787), or e-mail (kyiv_info@bakernet.com).

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