

CROP RECEIPTS SETTLEMENT AND CLOSURE

By the due date specified in the Crop Receipt, the farmer fulfills his obligation:

- by delivering commodities on the pre-agreed terms under commodity Crop Receipts;
- or payment to the creditor's bank account under financial Crop Receipts.

In case you have any difficulties with the Crop Receipts settlement – it is recommended to negotiate with your partner and find an acceptable option to enable fulfillment of the obligations under the Crop Receipt, which may be as following:

- agree on a partial settlement of the Crop Receipt and/or postpone the obligation till the next season
- change the subject of the collateral
- buy-out of the Crop Receipt from the creditor

Crop Receipts are transparent!

Within 3 working days after the farmer fulfilled the obligation under the Crop Receipt, the creditor does a corresponding inscription on the original of the Crop Receipt and returns it to the farmer (in person or by registered mail).

The farmer addresses the notary with the Crop Receipt, received from the creditor with his inscription on fulfillment of farmer's obligations. The notary closes the Crop Receipt in corresponding registers.

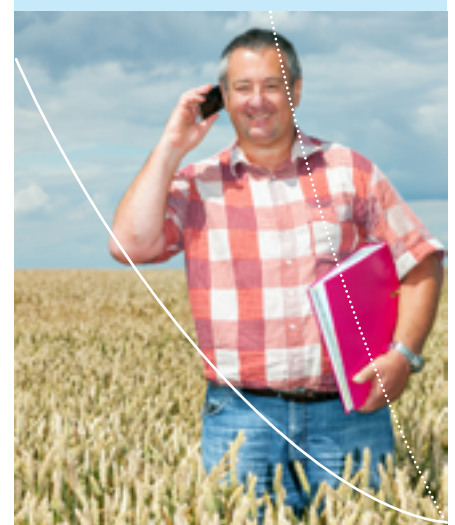
The creditor can also address the notary to close the Crop Receipt (before returning the Crop Receipt to the farmer).



Crop Receipts are valid until complete fulfillment of farmer's obligations. Settled Crop Receipts should be closed in the Crop Receipts Register and the Register of Liens on Movable Property.



According to the Law, if the creditor returns the Crop Receipt to the farmer with a delay, the creditor can be fined (from 10 minimal wages for up to 1 month delay and to 300 minimal wages for over 6 month delay).



CROP RECEIPTS ENFORCEMENT

Easy and transparent out-of-court procedure available for the Crop Receipts instrument – is the main element of creditor's rights protection.

- *In case a farmer does not fulfill his obligations under the Crop Receipt the creditor has a right to commence out-of-court enforcement procedure starting from the next day after the Crop Receipt due date.*

Issuing a notarial writ

In case of the farmer's default within the Crop Receipt, on the next day after the Crop Receipts due date the creditor sends to the farmer a written request to fulfill the obligation. The creditor keeps a copy of the request and the postal receipt with mail description to confirm the sending. There is no minimum expectancy time set. So on the same day or any other time within one year from the Crop Receipt's due date, the creditor can address the notary, who is authorized to work in the Crop Receipt Register. The creditor provides to the notary the copy of the written request, postal receipt, and the original Crop Receipt. The notary issues a notarial writ.

Opening enforcement proceeding

With the notarial writ the creditor can address the bailiff on any day within a year after the date of issuing the writ. Creditor chooses the enforcement system (state or private) on his consideration. The bailiff is defined on the location of the debtor's property (considering all the property, not only pledged crop).

- *Crop Receipt enforcement ensures seizure of the crop pledged. Under a commodity Crop Receipt, the bailiff transfers pledged commodities to the creditor's. Under the financial Crop Receipt, the bailiff seizes the pledged asset, sells it and pays the creditor.*

Closing enforcement proceeding

After the full obligation is seized and returned to the creditor, the enforcement proceeding closes. The original of a Crop Receipt with a notarial writ on it is returned to the notary, who issued the writ. In case of partial seizure of the obligation, the Crop Receipt with notarial writ is returned to the creditor. The creditor has a right to re-address the bailiff to open another enforcement proceeding within one year from the date of the writ.



Crop Receipts Enforcement procedure –















is a specially designed mechanism to enable creditors to return the provided loan in case of the farmer's default.



Crop Receipts Project in partnership with the Ministry of Justice of Ukraine developed the templates for the notarial writ, available via the link: https://agroregisters.com.ua/wp-content/uploads/2019/10/2018_MoJ-letter-on-endorsement-duty-and-notary-writs.pdf



ENFORCEMENT PROCEDURE

COMMODITY CROP RECEIPTS

1	  <p>Creditor → Debtor</p>	<h3>SENDING A WRITTEN REQUEST TO THE DEBTOR</h3> <p> After the due date of the Crop Receipt</p> <p><input checked="" type="checkbox"/> Keep the postal receipt</p>
2	  <p>Creditor → Notary</p> <p><i>Documents: Crop Receipt, copy of the written request sent to the debtor, postal receipt, application form, passport and power of attorney</i></p>	<h3>ISSUING A NOTARIAL WRIT</h3> <p> Within a year starting from the next date after the due date of the Crop Receipt</p> <p>Notarial writ is issued on the day of request</p> <p><input checked="" type="checkbox"/> No need to wait for the mail to be delivered to the debtor</p> <p><input checked="" type="checkbox"/> Any notary authorized to work in the Crop Receipts Register</p>
3	  <p>Creditor → Bailiff</p> <p><i>Documents: Crop Receipt with the notarial writ, receipt on advance payment, application form, passport and power of attorney</i></p>	<h3>OPENING ENFORCEMENT PROCEEDING</h3> <p> Within one year, starting from the next day after issuing a notarial writ</p> <p>Enforcement proceeding opens within a day</p> <p><input checked="" type="checkbox"/> Private or state bailiff defined by the location of debtor, his property or the place of his registration</p> <p><input checked="" type="checkbox"/> Provide the bailiff information about location of the pledged crop</p>
4	  <p>Bailiff → Creditor</p>	<h3>TRANSFER OF COLLATERAL TO THE CREDITOR'S OWNERSHIP</h3> <p> Within 7 days</p> <p><input checked="" type="checkbox"/> Possible reimbursement of losses in court</p>
5	<h3>CLOSING ENFORCEMENT PROCEEDING</h3> <ul style="list-style-type: none">  After full settlement of the obligations within the Crop Receipt, the bailiff returns the document to the notary. The creditor should address the notary to return a Crop Receipt to the debtor (to avoid possible fines for the delays in return of the Crop Receipt to the debtor after the full settlement).  After partial settlement, the bailiff returns the document to the creditor. The creditor has a right to re-address the bailiff to open another enforcement proceeding within one year from the date of the writ. 	

ENFORCEMENT PROCEDURE

FINANCIAL CROP RECEIPTS

1	  <p>Creditor Debtor</p>	<h3>SENDING A WRITTEN REQUEST TO THE DEBTOR</h3> <p>⌚ After the due date of the Crop Receipt</p> <ul style="list-style-type: none"> ✓ Keep the postal receipt
2	  <p>Creditor Notary</p> <p><i>Documents: Crop Receipt, copy of the written request sent to the debtor, postal receipt, application form, passport and power of attorney</i></p>	<h3>ISSUING A NOTARIAL WRIT</h3> <p>⌚ Within a year starting from the next date after the due date of the Crop Receipt</p> <p>Notarial writ is issued on the day of request</p> <ul style="list-style-type: none"> ✓ No need to wait for the mail to be delivered to the debtor ✓ Any notary authorized to work in the Crop Receipts Register ✓ Possible to add in penalties into the notarial writ
3	  <p>Creditor Bailiff</p> <p><i>Documents: Crop Receipt with the notarial writ, receipt on advance payment, application form, passport and power of attorney</i></p>	<h3>OPENING ENFORCEMENT PROCEEDING</h3> <p>⌚ Within one year, starting from the next day after issuing a notarial writ</p> <p>Enforcement proceeding opens within a day</p> <ul style="list-style-type: none"> ✓ Private or state bailiff defined by the location of debtor, his property or the place of his registration ✓ Provide the bailiff maximum of information about location of the pledged crop
4	  <p>Bailiff Creditor</p>	<h3>TRANSFER OF COLLATERAL TO THE CREDITOR'S STORAGE</h3> <p>⌚ Within 7 days</p> <ul style="list-style-type: none"> ✓ Possible reimbursement of losses in court
5	  <p>Bailiff Creditor</p>	<h3>SELLING OF THE COLLATERAL</h3> <p>⌚ 1ST stage – public auction appr. 45 days, on demand</p> <ul style="list-style-type: none"> ✓ This stage is not obligatory if the creditor and debtor agree on the crop price
6	<h3>CLOSING ENFORCEMENT PROCEEDING</h3> <p>💰 After the full settlement of the obligations within the Crop Receipt, the bailiff returns the document to the notary. The creditor should address the notary to return a Crop Receipt to the debtor (to avoid possible fines for the delays in return of the Crop Receipt to the debtor after the full settlement).</p> <p>💰 After partial settlement, the bailiff returns the document to the creditor. The creditor has a right to re-address the bailiff to open another enforcement proceeding within one year from the date of the writ.</p>	