

On 14 October 2014 the Ukrainian Parliament passed a package of five anti-corruption laws: (i) Anti-Corruption Law, (ii) Law on System of Specially Authorized Anti-Corruption Agencies, (iii) Law on Prevention and Fighting Money Laundering, Financing of Terrorism and Spread of Weapons of Mass Destruction, (iv) Law on Amending Certain Normative Acts with respect to Ultimate Beneficiaries of Legal Entities and Public Persons, and (v) Law on Anti-Corruption Policy for 2014-2017. Each of these laws is currently awaiting the Ukrainian President's signature, which is expected shortly. In addition, the Law on Lustration has been signed by the President and is effective. A brief summary of the laws is set forth below.

**Anti-Corruption Law Establishes:**

- Legal framework for anti-corruption policy in Ukraine, preventive anti-corruption toolkit, and rules on how to eliminate corruption and other related offences;
- The National Anti-Corruption Commission (appointed by the Cabinet of Ministers and reports to the Parliament; its members are appointed for a maximum of two four-year terms);
- Restrictions with respect to public officials' use of powers, acceptance of gifts, multiple jobs, etc;
- Procedures for the prevention of conflict of interests;
- Special anti-corruption toolkit (anti-corruption expertise, special anti-corruption check, Unified Register of Persons Guilty of Corruption and Other Related Offences, etc.);
- Rules of ethical behavior (priority of interests, political neutrality, impartiality, non-disclosure, etc.);
- Protection of whistleblowers from illegal dismissal, transfer to another job, material change of labor agreements, etc.;
- Different types of liability for corruption and other related offences (criminal, administrative, civil, and disciplinary liability);
- Right of State to recover losses of the State caused by corruption or other related offences;
- International collaboration with foreign states and international organizations which take measures to prevent and fight corruption.

**System of Specially Authorized Anti-Corruption Agencies establishes:**

- A system of specially authorized anti-corruption agencies (prosecution agencies, National Anti-Corruption Bureau of Ukraine, special organized crime departments of the Ministry of Internal Affairs of Ukraine), their legal environment, liaison with other public authorities, as well as the legal framework of operation of the Anti-Corruption Bureau;
- The Anti-Corruption Bureau as a public law enforcement agency responsible for preventing, revealing, combating, investigating, and solving corruption offences (created by the President of Ukraine); guarantees of independence of its operation, general structure and number of employees, including their remuneration; its main functions, rights, and liability; monitoring of lifestyle of the employees of the Bureau, etc..

**Prevention and Fighting Money Laundering, Financing of Terrorism and Spread of Weapons of Mass Destruction:**

- Protection of rights and interests of citizens and the State;
- Ensures national security through defining the legal framework for prevention of money laundering, financing of terrorism and spread of weapons of mass destruction;
- Creation of the state database aimed at providing Ukrainian and foreign law enforcement agencies with the possibility to reveal, check and prosecute offences related to money laundering and other illegal financial transactions;
- Comprehensive improvement of national legislation in the field of financial monitoring, namely, introduction of the national risk assessment of the financial monitoring system; improvement of legislative aspects affecting the quality of investigation of the offences with respect to money laundering, financial monitoring over national public persons, public officials, and international organizations.

## **Amending Certain Normative Acts with respect to Ultimate Beneficiaries of Legal Entities and Public Persons:**

- Establishes free access to information contained in the State Register of Property Rights to Immovable Property by individuals and legal entities. Such information may be provided (i) in soft copy through the official web-site of the relevant central executive authority, or (ii) in hard copy through filing the application in person or by mail to property rights registration bodies or notaries;
- Amendments to be introduced to the applicable laws determining ultimate beneficial ownership.

## **Anti-Corruption Policy for 2014-2017:**

- Establishes anti-corruption policy, the monitoring procedure and monitoring authorities, implementation of strategy, including the criteria for assessing its implementation;
- Coordination of implementation of anti-corruption strategy to be entrusted with specially authorized agency on anti-corruption policy (National Anti-Corruption Commission).

## **On 16 October 2014 the Law of Ukraine on Lustration No. 1682-VII entered into force.**

### **Lustration Law:**

- Defines the legal framework for checking public officials aimed at restoring the trust in the government and creation of the conditions for building a new system of state power in line with the European standards;
- Establishes a list of the positions to which the lustration applies;
- Persons holding managerial positions for at least one cumulative year from 25 February 2010 until 22 February 2014 will be dismissed from their offices within 10 days from the effective date of the Law;
- Prohibits holding public offices for (i) those working from 25 February 2010 through 22 February 2014, who, by their decisions, act or omission, promoted the usurpation of power by the President Yanukovich, sapped the foundations of national security, defense and territorial integrity of Ukraine resulting in violation of human rights and freedoms; and (ii) persons who held managerial positions at the Communist Party of the Soviet Union, Ukraine, or Republics of the Soviet Union.

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