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I. REGULATORY

Moratorium on Sale of Agricultural Land Extended Until 1 January 2017

The moratorium on sale of the agricultural land is extended for one more year¹. Thus, agricultural land may not be sold or otherwise alienated until 1 January 2017.

New Rules on Registration of Rights on Immovable Property and State Registration of Companies

On 26 November 2015, two important laws were adopted: (i) on state registration of legal entities, individual entrepreneurs and social organizations² and (ii) the registration of rights on immovable property and its encumbrances³.

In general, the new laws simplify and accelerate the registration procedures by empowering local authorities, notaries, and banks to perform registration and also by reducing the number of documents required for state registration.

The law provides the following changes to the process of company registration:

- submission of documents to any registration authority in Ukraine regardless of the company's registration address (previously, companies registered with local authorities based on the address of their head office)
- formation of a new single register based on the existing Unified Register of the Legal Entities and Individual Entrepreneurs of Ukraine, the Unified License Register, the Unified Register of Approvals, and the Unified Register of Companies in the Bankruptcy Process
- submission of applications and documents in electronic form and full access to data about a company through the [Portal of the Electronic Services](#)

¹ Law on Amendments to Section X "The Transitional Provisions" of Land Code of Ukraine regarding Extension of Prohibition on Sale of Agricultural Land, dated 10 November 2015, No. 767-VIII

² Draft Law on Amendments to Law of Ukraine on State Registration of the Legal Entities and the Individual Entrepreneurs and Other Legislation of Ukraine related to Decentralization of Authorities for the State Registration of the Legal Entities, the Individual Entrepreneurs and the Social Organizations (No. 2983)

³ Draft Law on State Registration of Rights on Immovable Property and its Encumbrance (No. 2982)

The law will come into force after its publication and certain provisions for registration by notaries will immediately become effective. The new rules will come into force on 1 January 2016, except for provisions which have been postponed until 2017.

New Registration Cards Approved

As of 20 November 2015, new forms of registration cards are in force⁴. Registration cards are standard application forms which are submitted to the state registrar for all registration actions, including the registration of a new legal entity.

Ukrainian Stock Market Traders Apply Economic Sanctions

From 16 September 2015, personal sanctions were applied specifically to over 400 individuals and 90 legal entities, both foreign and Ukrainian, for crimes against Ukraine (Sanctioned Persons).

As of 17 November, the Ukrainian securities commission approved the rules of sanctions implementation⁵ by the stock market participants (depository institutions, stock traders, issuers, etc.) in relation to transactions with securities.

According to the approved rules, the stock market players have to provide information whether they have contracts with the Sanctioned Persons that are on the sanctions list.

In general, the stock market participants obliged to apply the sanctions depending on a particular type of the sanction. There are rules on limiting Sanctioned Persons' voting rights at general shareholders meetings, rights to dividends, and acquiring or disposing securities on behalf of the Sanctioned Persons, and other procedures.

New Rules of Apostille

Effective 20 November 2015, apostilling official documents issued by government agencies and courts, as well as documents notarized in Ukraine is to be performed according to a new procedure⁶.

The new procedure provides for (i) creation of an Electronic Register of Apostilles containing unified information on applications filed for apostilles and affixed apostilles, (ii) filing applications for apostilles not only personally but also by post, (iii) two business days term for issuance of or refusal of apostille (except for specific cases when the term can be prolonged to 20 business days).

Apostillization of documents submitted to the Ministry of Justice of Ukraine before the new procedure took effect is performed according to the procedure effective before 20 November 2015.

The Law on National Police Came Into Force

On 7 November 2015 the new Law on National Police came into force.

National police is a system of law enforcement agencies aimed to replace the existing soviet style militia.

The Law defines the goals of the National Police as serving society by ensuring protection of human rights and freedoms, counteraction of crime, maintenance of public safety and the procedure. People's trust is established as the main criteria for evaluation of the effectiveness of the National Police.

The law provides that in order to achieve its goal the members of the National Police are entitled to take the following measures:

- check person's identity;
- interrogate a person;
- perform exterior examination;
- stop vehicles;
- demand to leave the place and restrict access to defined territory;
- restrict movement of a person, vehicle or factual possession of a thing;
- enter to residential premises or other premises of a person;
- inspect compliance with requirements of the authorization system as controlled by the internal affairs bodies;
- apply technical devices and means for photo and video recording;
- check compliance with restrictions imposed by the legislation in relation to persons under administrative supervision and other persons;
- perform police care.

The policemen and policewomen are entitled to use physical force, special means and firearm after giving a warning. In exceptional cases policemen and policewomen are entitled to use firearm without giving warning.

II. CORPORATE LAW

Quorum at General Meeting of Limited Liability Companies Reduced to 50% + 1 vote

On 24 November the Parliament of Ukraine adopted a law reducing quorum at general meetings of participants of limited liability companies from 60% + 1 vote to 50% + 1 vote⁷. In addition to that, the law allows limited liability companies not having any State ownership to adopt different quorum requirement in their constitutional documents.

The law will enter into force upon its official publication.

4 Order on Approval of Forms of Registration Cards, issued by the Ministry of Justice of Ukraine, dated 2 November 2015, No. 2140/5

5 Decision of National Commission on Securities and Stock Market of Ukraine "On Performance by Stock Market Traders of Decision "On Implementation and Monitoring of Efficiency of Personal, Special Economic and Other Restrictions (Sanctions) No. 654 dated 1 October 2015" dated 13 October 2015 No. 1707 (effective from 17 November 2015)

6 Order on Regulation of Relations of Affixing Apostille and Preparing Documents for Consulate Legalization of the Ministry of Justice of Ukraine, dated 11 November 2015, No. 2268/5

7 Draft Law on Amending Article 60 of Law of Ukraine on Business Entities (regarding Decrease in Quorum of General Meeting of Participants of Limited Liability Company) (No. 2757)

III. ANTI-MONOPOLY REGULATIONS

Anti-Monopoly Committee of Ukraine will Make its Decisions Available on the Internet

The Parliament adopted a law requiring the Anti-monopoly Committee of Ukraine (AMC) to publish its decisions online on the [AMC's web portal](#) within 10 days after their adoption⁸.

The decisions must be published in full but without confidential information marked as such by the party providing such information.

The new law will come into effect on 3 March 2016.

Assessment of Anti-Monopoly Committee's Fines

A draft law⁹ on calculation of fines for violations of competition law as suggested by the AMC in its recommendatory clarifications was approved at first reading. As soon as such clarification is adopted as a law, the AMC will be bound by the requirement to use such rules to calculate the fines. For more information on this draft legislation, see our [September Ukraine Legal Update](#)

Changes in Requirements for Concentration Approvals (Increase of Thresholds and Simplification of Procedure)

In accordance with the draft law¹⁰, approved on 12 November 2015 at first reading, the economic thresholds for concentration approvals from the AMC would be increased.

Under the draft law, AMC approval will be required if

- i. the total assets or aggregate sales of all participants of the concentration exceed €30 million in the preceding fiscal year (including abroad) when the total assets or aggregate sales in Ukraine of at least two participants exceed €4 million each
- ii. the aggregate sales of one participant in Ukraine exceed €8 million in the preceding fiscal year, when the aggregate sales of at least one other participant (including abroad) exceed €100 million

In accordance with a current law, AMC approval is required if

- i. the aggregate assets or aggregate sales of all of the participants to the concerted actions exceed €12 million in the prior fiscal year (calculated on a worldwide basis), and
- ii. at least two participants have assets or sales (calculated on a worldwide basis) that exceed the equivalent of €1 million each, and
- iii. at least a single participant's aggregate assets or sales (in Ukraine) exceeded €1 million

In addition, a new simplified procedure for consideration of applications by the AMC will be introduced. In particular, the AMC will have to consider an application within 25 days if:

- only one participant has activity on the territory of Ukraine

- total participants' share in one and the same goods and geographical market does not exceed 15%
- individual market shares or total market share of participants acting on higher or lower markets on the market where another participant acts do not exceed 20%

IV. ANTI-CORRUPTION REGULATIONS

Amending Criminal Laws on Special Confiscation for Corruption and Other Criminal Acts

The Criminal Code of Ukraine has been amended to clarify and expand the meaning of such instrument as "special confiscation" to fight corruption¹¹.

According to the new amendment, the special confiscation applies to money (including bank accounts) and other assets if they were transferred by a person who committed crime in favor of another person for free or sold at a price lower than the market price, or if the recipient knew that the purpose of the asset transfer was to avoid confiscation. Nevertheless, the special confiscation will not be applied against assets if they were acquired in good faith as envisaged by Ukrainian law.

The special confiscation may be applied only on the basis of a court ruling.

V. LABOR LAW

Draft Labor Code of Ukraine is Approved at First Reading

On 5 November 2015, the Ukrainian Parliament approved the draft of the new Labor Code of Ukraine at first reading.

The new Labor Code when adopted would replace the 1971 Labor Code, which in many respects fails to meet the needs of effective economy market. The new Code should also provide for the new approach to labor relations regulation and a balance between interests of employees and employers.

The draft Labor Code, in particular, provides for the following major new rules:

- employment agreements can only be signed in a written form
- the list of grounds for entering into fixed-term employment agreements is extended
- temporary suspension of employee from work in specific cases may be applied
- use of technical equipment for controlling the fulfillment of employment duties by employees is allowed
- annual paid vacation period is increased
- additional payment for work at night and for limit-exceeding hours is increased
- redundancy compensation is increased depending on the length of service
- statute of limitations period for labor disputes is extended

If adopted, the new Labor Code will take effect on 1 January 2016.

⁸ Law on Amendments to Certain Legislative Acts of Ukraine Regarding Ensuring Transparency of Activity of Anti-Monopoly Committee of Ukraine, dated 12 November 2015, No.782-VIII

⁹ Draft Law on Amendments to Legislation on Protection of Economic Competition related to Assessment of Fines by Anti-Monopoly Committee of Ukraine for Violations of Law on Protection of Economic Competition (No. 2431)

¹⁰ Draft Law on Amendments to Law of Ukraine on Protection of Economic Competition (regarding Enhancing Efficiency of Control under Economic Concentrate Actions) (No. 2468a)

¹¹ Law on Amendments to Criminal Code of Ukraine Regarding Enhancing Institute of Special Confiscation to Eliminate Risks in Process of Confiscation, dated 10 November 2015, No. 770-VIII

Anti-discrimination Law

On 12 November 2015, anti-discrimination amendments to Article 2¹ of the Labor Code of Ukraine were adopted¹². These amendments were required under the Ukraine-EU visa liberalization action plan.

The amendments prohibit any form of employment discrimination, in particular, violation of the principle of equality of rights and opportunities, direct or indirect restriction of the rights of employees on the grounds of race, skin color, political, religious and other beliefs, sex, gender identity, sexual orientation, ethnicity, social and foreign origin, age, health, disability, suspicion or presence of HIV/AIDS, family and property status, family responsibilities, place of residence, membership in trade unions or other associations of citizens, participation in a strike, being involved in litigation or intention to apply to the court or other authorities to protect their rights and to provide support to other workers in defense of their rights, linguistic or other grounds not related to the nature of the work or conditions of its performance.

VI. NEW PUBLIC STRUCTURES

New Special Authority to Reveal, Search and Manage Assets Received from Corruption and Other Criminal Acts

National Agency on Revealing, Tracing and Managing Proceeds of Corruption and Other Crimes (Agency) will be created by the Government¹³. As expected, the law will come into effect in six months after its publication and afterward, the Agency will be established.

The main function of the Agency is to search for assets received from corruption and other criminal acts, evaluation of such assets and subsequent management. The Agency will maintain a uniform register of such assets.

Creation of State Investigation Bureau of Ukraine

The Ukrainian Parliament passed a law on the creation of the State Investigation Bureau of Ukraine (Bureau)¹⁴.

In accordance with the law, the Bureau will be investigating crimes committed by senior officials, civil servants, judges and law enforcement officers, as well as organized groups and criminal organizations, crimes with sanctions on life sentence and other.

The Bureau is expected to be set up not later than 1 March 2016.

VII. POTENTIAL ABOLISHMENT OF IMPORT LICENSE

Potential Abolishment of Import License

On 12 November 2015, the Ukrainian Parliament reviewed and approved at first reading a draft law¹⁵ on abolishment of several import and export licenses required for foreign trade, namely, the import license, the license on alcoholic and tobacco export, and the license on import and export of the brandy and fruit spirits.

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¹² Law on Amendments to Labor Code of Ukraine Regarding Harmonization of Laws on Prevention of Discrimination with EU Laws, dated 12 November 2015, No. 785-VIII

¹³ Draft Law of Ukraine on National Agency to Reveal, Search and Manage Assets Received from Corruption and Other Criminal Acts (No. 3040)

¹⁴ Draft Law of Ukraine on State Investigation Bureau of Ukraine (No. 2114)

¹⁵ Draft Law on Amendments to Certain Legislation of Ukraine on Reducing Approvals in Foreign Trade (No. 2498a)