

Amendments to Ukrainian Laws Concerning Disclosure of Beneficial Owners

Ukrainian law concerning the requirement to disclose beneficial owners of Ukrainian companies has been amended. The general requirement to disclose beneficial (controlling) owners of companies was introduced in Autumn 2014 with effect from 25 November 2014. In this regard, the law defined the beneficial (controlling) owners of a company as a person (persons) exercising (directly or indirectly) decisive influence on the management or business activity of the company, irrespective of possessing a formal right thereto, including through direct or indirect holding (personally or jointly with related legal entities / individuals) 25% of shareholding or voting rights in such company.

On 26 May 2015 the Law of Ukraine "*On Amending Certain Laws of Ukraine Concerning Beneficial Owner of a Legal Entity*" No. 475 of 21 May 2015 ("**the Law**") became effective.

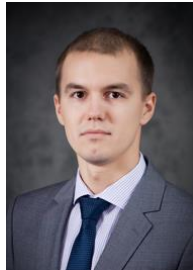
The Law envisages the following amendments:

- The term for submission of information regarding beneficial owners of a legal entity, such as a company, was extended for the next four months until 25 September 2015. Therefore, if a legal entity failed to submit such information until 25 May 2015 (inclusive), then it should not be subject to penalties and can submit such information until 25 September 2015.
- In the absence of a legal entity's beneficial owner (i.e. an individual who meets the criteria of "beneficial (controlling) owner" as defined above), including a beneficial owner of such entity's shareholder (in case the latter is a legal entity), a legal entity shall notify the state registrar that it does not have beneficial owners. Until the passing of the Law, it was not expressly required to make a notice that there is no person who meets the criteria of the beneficial owner.
- In case a legal entity has only individuals as direct shareholders, then such entity is not required to submit information on its beneficial owners, provided however that such individuals are indeed the actual beneficial owners of the legal entity.
- Religious organizations, state and municipal enterprises (in addition to political parties, creative unions and their regional centres, bar associations, chambers of commerce, government agencies, municipal authorities and their associations) are exempt from the requirement to submit information on beneficial owners.

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