

UKRAINIAN COMPETITION AUTHORITY ADOPTS NEW MERGER CLEARANCE REGULATION

On 19 August 2016, the new Merger Clearance Regulation (the "**Regulation**") entered into force. The adoption of the Regulation can be considered as another step towards harmonizing Ukrainian legislation with EU law. The Regulation significantly reduces the scope of information that must be provided to the Ukrainian competition authority (the "**AMC**") to obtain merger clearance.

The previous Regulation required that the parties to a contemplated merger provide the AMC with a large amount of documents and information, which were often irrelevant to the consideration of the transaction. For instance, it was mandatory to list all undertakings connected to the applicants by control relations (even if they had nothing to do with Ukraine) together with information about their subdivisions, addresses, etc. It goes without saying that gathering such data, especially when large multinational groups of companies containing hundreds of companies were involved, can be very time-consuming.

In practice, to save time, instead of submitting all required information to the AMC, the applicants often filed motions to the authority requesting to limit the scope of required information. However, it was far from certain that the AMC would accept such requests; it remained at their discretion to decide whether to satisfy such requests or reject them and return the filed applications as incomplete.

By contrast, the new Regulation removes the requirement to disclose information on all undertakings connected to parties to a merger under consideration by relations of control. Now, apart from the parties to the merger, it is required to provide information only on their beneficial owners and affiliates registered and/or active in Ukraine.

The Regulation contains a number of other positive developments, such as the simplification of filing forms, the elimination of the requirement to provide the list of minority shareholdings and the electronic database. In particular, preparation of the electronic database was quite a burdensome, time-consuming and unnecessary exercise (as all information therein was identical to that submitted to the AMC in written form).

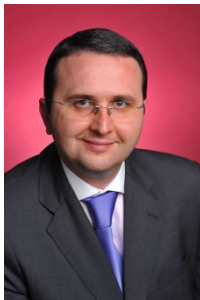
At the same time, the Regulation is not yet ideal. For example, it requests information on beneficial owners of a target in the transaction regardless of the fact that as a result of transaction whereby a target is to be sold off, the relations of control between the beneficial owners and the target will terminate.

We expect the Regulation significantly to simplify, shorten and make the process of gathering required information by notifying parties as well as the merger filing process itself more cost-efficient.

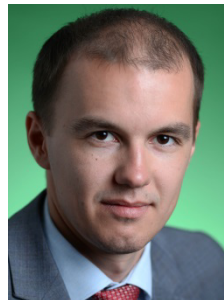
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For more information about our services, please contact:



Taras Dumych
Partner
taras.dumych@wolftheiss.com
T: +38 044 3777 500



Mykhailo Razuvaiev
Associate
mykhailo.razuvaiev@wolftheiss.com
T: +38 044 3777 500



Olga Ivlyeva
Associate
olga.ivlyeva@wolftheiss.com
T: +38 044 3777 500

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Wolf Theiss
Schubertring 6
AT – 1010 Vienna

www.wolftheiss.com