

Flash Report

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Delays in registering legal entities in Ukraine



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Disclosure of the entire ownership structure

On 21 August 2010 amendments to the Law "On State Registration of Legal Entities and Individual Entrepreneurs" entered into force. This is connected to the introduction of a new version of the Anti-money Laundering Law and the requirement to identify the ultimate shareholders of companies.

Accordingly, during the state registration of a company in Ukraine, the founders (legal entities) have to disclose their ownership structure up to the level of individuals with a significant shareholding (more than 10 % of shares).

This has caused significant delays in the process of registering legal entities in Ukraine, particularly in cases where the investors are foreign legal entities.

Recommendations of the State Entrepreneurs Committee of 25 August 2010 clarified the list of documents in respect of Ukrainian founders only. It is still unclear which documents must confirm the ownership structure of a foreign founder.

PwC will continue to monitor the developments of this issue and will inform as soon as new information becomes available.