

Flash Report

Ukraine • Issue 4/2010 • 20 January 2010

Law on the Simplification of Entrepreneurial Activity



Contacts:

Ron Barden

Partner & TLS Leader

E-mail: ron.j.barden@ua.pwc.com

Marc-Tell Madl

Legal Partner

E-mail: m.madl@ua.pwc.com

PricewaterhouseCoopers

75 Zhylyanska Street, Kyiv

Tel: +380 44 490 6777

Fax: +380 44 490 6738

www.pwc.com/ua

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Law on the Simplification of Entrepreneurial Activity

The Parliament of Ukraine has adopted a law (No. 1759-VI) aimed at improving conditions for doing business in Ukraine. The key changes introduced by the law are as follows:

- The minimum charter capital of a limited liability company has been reduced to one minimum monthly salary (previously it was 100 minimum salaries). The current minimum salary is UAH 869 (app. USD 110).
- Licenses shall be issued for an indefinite period, unless a limited term of validity for a particular type of license is established by the Cabinet of Ministers of Ukraine for a particular type of license. However, even in such a case, the term of validity will be not less than 5 years.
- The Law has introduced a "silent consent" principle for obtaining most but not all state/municipal permits. If an application for a permit and the respective supporting documents have been properly submitted, and the authorities failed to respond within the term established by law (either to issue the permit or reject the application), the applicant is allowed to pursue the activities as if the permit had been issued.
- The Law sets a moratorium lasting up to 1 January 2011 on inspections performed by state and municipal authorities. The moratorium does not include tax and certain other authorities. The number of grounds used by the tax authorities for initiating unscheduled tax audits was also reduced.