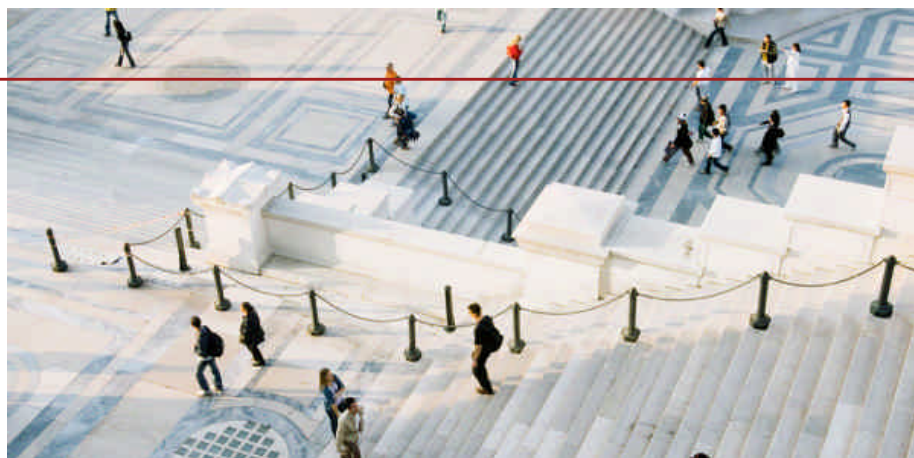


Flash Report

Ukraine • Issue#57/2014 • 16 October 2014

Disclosure of ultimate beneficiaries



Contacts:

Ron Barden

Partner & TLS Leader
ron.j.barden@ua.pwc.com

Rob Shantz

Head of Legal Services
rob.shantz@ua.pwc.com

Slava Vlasov

Partner, Tax and Legal Services
slava.vlasov@ua.pwc.com

Andrey Pronchenko

Legal Director
Tax and Legal Services
andrey.pronchenko@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032
Tel: +380 44 354 04 04
Fax: +380 44 354 07 90

www.pwc.com/ua

This flash report is produced by PricewaterhouseCoopers' tax and legal services department. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

©2014 Limited liability company «PricewaterhouseCoopers». All rights reserved. PwC refers to the Ukrainian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Companies will be obliged to disclose their ultimate beneficiaries

On 14 October 2014, the Verkhovna Rada of Ukraine adopted the draft Law* on determining ultimate beneficiaries of Ukrainian legal entities.

Among the key points are the following:

- Companies (including existing) will be obliged to disclose their ultimate beneficiaries and inform the state registrar within six months of the Law coming into force. Companies are also obliged to inform the state registrar when there is a change of ultimate beneficiary.
- The ultimate beneficiary is recognised as the person who, regardless of formal ownership, has decisive influence over the management or business activities of a legal entity, or owns 25% or more of its charter capital.
- Failure to notify the registrar will result in administrative penalty for the Company's Head or the persons who are authorized to act on behalf of the Company.

It is unclear how the above will apply for publicly-traded companies.

In our view, the Law will have significant consequences for all Ukrainian companies.

We will keep you updated on further developments in this area.

**The draft Law on amendments to several legislative acts of Ukraine re determining ultimate beneficiaries of legal persons and public figures dated 14 October 2014 (Reg. No. 5114)*