

Flash Report

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New Law on public procurement



Contacts:

Camiel van der Meij

Partner & TLS Leader
camiel.van.der.meij@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

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New Law on public procurement came into force

On 19 February 2016 the Law of Ukraine “On Public Procurements” dated 25/12/2015 # 922-VIII (hereinafter – the “Law”) came into force.

The new Law applies to procurements conducted by public sector entities, as well as by private sector entities from some industries (such as energy, oil and gas etc.,) with special or exclusive rights.

The Law will become effective for central governmental bodies and certain companies **starting from April 1, 2016**; for the rest of entities to which this new Law applies – **starting from August 1, 2016**.

The Law introduces a requirement to conduct public procurements exceeding prescribed limits* through a special electronic tendering system.

Currently this system, called “ProZorro”, is operating in test mode for procurements, amounts of which, do not reach a statutory threshold.

We will continue to monitor the developments in this regard and keep you updated on the issue.

* 200.000 UAH (1.000.000 UAH in some industries) – for procurement of goods and services;
1.500.000 (5.000.000 UAH in some industries) - for procurement of works.