

# Flash Report

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## ***Simplified framework for joint-stock companies***

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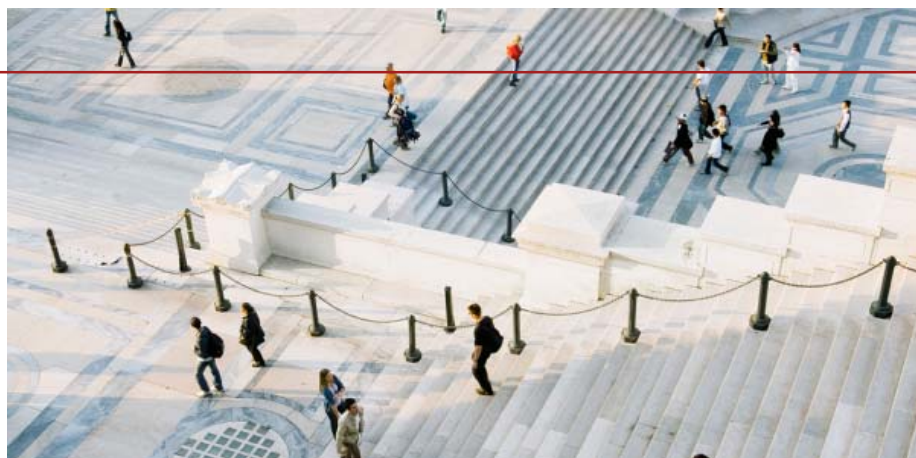
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## ***Business conditions for joint-stock companies simplified***

On 15 November 2017, the Parliament of Ukraine adopted a law\* that substantially changes the legal framework for security issuers, specifically, for joint-stock companies, in Ukraine:

- From now on, all public joint-stock companies ("PJSC"), established before the date the new Law becomes effective, are deemed as companies that have not made public offering, unless:

- ✓ PJSC has undergone the listing procedure;
- ✓ PJSC has specifically disclosed that it had made public offering.

PJSCs that do not meet the aforementioned criteria will be regulated by the rules that apply to private joint-stock companies (hereinafter – "PrJSC").

- The new Law introduces the following differentiation between PJSCs and PrJSCs:

- ✓ *PrJSCs* will have less information to disclose, experience less administrative burden, *etc.*
- ✓ *PJSCs* will have to disclose more information, will have more options to conduct public offerings; restrictions on the number of investors during public offering will be lifted, *etc.*

- According to the new Law, the requirements for corporate governance for banks will change as well. Banks will be able to operate as PrJSCs; the role of the supervisory boards will increase, *etc.*

The Law is yet to be published. It will come into effect after signing by the President and official publication.

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

\* *Bill No. 5592-“d” from 20 April 2017*