

Flash Report

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Law on limited/ additional liability companies is adopted



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Ukraine's parliament introduces new legal framework for limited/additional liability companies

On 6 February 2018 the Ukrainian Parliament adopted the Law* “On limited/additional liability companies”.

The new Law introduces a number of important changes to the legal framework for limited/additional liability companies, in particular:

- Company participants (shareholders) will be able to conclude a corporate agreement (equivalent of the shareholders' agreement);
- The possibility to establish a supervisory board is clearly envisaged;
- Provisions on “interested-party transactions”, “material transactions” have been introduced;
- Debt-into-equity conversion is directly allowed.

The Law will have significant impact on activities of limited/additional liability companies. All limited/additional liability companies must bring their Charters into compliance with the requirements of the new Law. However, the Law does not set out a time frame in which this should happen.

The official text of the Law is yet to be signed by the President. Majority provisions will come into effect three months after official publication of the Law.

We plan to issue a detailed newsletter and hold a series of events to address this important topic.

* *Bill No. 4666 dated 13 May 2016 -*

http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=59093