

Flash Report

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The conclusion of the Shareholders' Agreements are finally possible



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The shareholders and participants are permitted to enter into shareholders' agreements

On 15 February 2018 the President of Ukraine signed the law of Ukraine regulating the conclusion of the shareholders' agreement (the "Law")*. The Law will become effective on the next day upon its official publication.

After the Law enters into force, the shareholders of the Joint-Stock Companies and participants of the Limited Liability Companies will be able to enter into shareholders' agreements and agree the right and obligations among them.

The Law introduces certain instruments regulating the relations among shareholders/participants, e.g., voting arrangements, sale of shares under the pre-agreed price, irrevocable powers of attorney and other mechanisms related to the management of the company. The law also allows the creditors of the company to become the party of the shareholders agreement.

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

* Law of Ukraine "On amendments to certain legislative acts of Ukraine on corporate agreements" 1984 - VIII dated 23 March 2017.