

Legal Alert – 9 January 2015

FILING THE INFORMATION ON COMPANY'S ULTIMATE BENEFICIARIES WITH THE STATE REGISTER



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As we reported earlier¹, Ukraine now requires that the information on a company's ultimate beneficiaries is filed with the State Register of Legal Entities and Individuals-Entrepreneurs (hereinafter – the “**State Register**”). This requirement was introduced by the Law "On Amending Certain Legislative Acts of Ukraine Regarding the Identification of the Ultimate Beneficiaries of Legal Entities and Public Persons" which took effect on 25 November 2014 (hereinafter – the “**Law**”).

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The Ministry of Justice, in order to implement the above requirement in practice, updated the application forms for information filing with the State Register. The updated application forms (namely the Forms No.No. 1, 2, 3, 4, 5, 15) were posted on the official site of the State Registration Service on 17 December 2014². In addition, a clarification of the State Registration Service regarding the requirement to provide the information on a company's ultimate beneficiaries was posted on the same site³ on 24 December 2014.

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It is emphasized that no documents are required to be filed with the State Register to support the information on ultimate beneficiaries.

In addition to the section on ultimate beneficiaries, the updated forms also contain section for the information on owners of substantial share (i.e. persons owning 10% and more of a company's authorized capital), which information must be provided in the process of incorporation of a legal entity.

The legal entities incorporated prior to this Law taking effect must file with the State Register the Form No. 4 with the information about their ultimate beneficiaries, including the ultimate beneficiaries of their founders (if the founders are legal entities) within 6 months after the day on which this Law takes effect (i.e. on or before 25 May 2015). A director of a legal entity can be fined for a failure to file the information on ultimate beneficiaries by an administrative fine ranging from 5100 to 8500 UAH.

It is to note, however, that at present the software of the State Register is not yet updated and the information on beneficiaries cannot be technically entered into the State Register. Therefore, applicants are advised to wait until the State Register's software is updated (but in any case the filing must be made before 25 May 2015, unless this deadline is extended) in order to avoid filing the Form No. 4 multiple times.

The Ministry of Justice plans to issue in January 2015 a clarification on the procedure for filing the above information with the State Register.

¹ See our Legal Alert "Anti-Corruption Legislative Developments" dated 19 November 2014.

² www.drsu.gov.ua/show/13821

³ www.drsu.gov.ua/show/13875

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