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Legal Services in Ukraine and the CIS

## **Registration of Legal Entities in Ukraine Becomes More Burdensome**

In the context of amending anti-money laundering legislation certain changes were made to the Law of Ukraine “On State Registration of Legal Entities and Individual Entrepreneurs” concerning state registration of legal entities.

According to the changes it is now additionally required that the founders – legal entities disclose their ownership structure all the way up to the beneficial owners – individuals having a substantial shareholding\* in those companies. It is furthermore required to file with the state registrar the relevant documents evidencing such ownership structure. According to state registrars those will be excerpts from commercial, trade, court or similar state registers in respect of every shareholder in the ownership structure. For this purpose excerpts in respect of Ukrainian companies will be provided by state registrars free of charge. As a result of such changes the procedure of incorporating a legal entity in Ukraine will become more time and cost consuming.

Those changes came into effect on 21 August 2010, and respectively will apply to legal entities that are registered in Ukraine after that date.

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\* Substantial shareholding is understood as direct or indirect ownership of 10% and more in the charter capital, 10% and more shares or voting rights in a legal entity, direct or indirect influence upon such legal entity.