



Registering ultimate beneficial owners of legal entities in Ukraine

On April 28, 2020, the new Law of Ukraine on Financial Monitoring entered into force that stipulated, among others, unconditional obligations of all legal entities registered in Ukraine (subject to exceptions set forth below) to provide information on its UBO(s), during 3 months upon entering of the respective order into legal force.

In this respect, on June 11, 2021 the Order of the Ministry of Finance confirming the form of the ownership structure was published and **will become effective from July 11, 2021**.

It means that all legal entities («LE»)¹ must submit information on its UBO(s) and the ownership structure to the state registrar to include it into the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations («USR») **either before October 11, 2021 or in a course of any registration action that may take place in respect of the LE after July 11 (whichever occurs earlier)**.

1. Except for LE for which no UBO is determined (such as political parties, trade unions, their associations, trade union organizations, bar associations, chambers of commerce and industry, etc.)

The updated legislation also contains specific requirements regarding the process of disclosure and scope of information subject to disclosure. In particular, the information on the **UBO(s) must be disclosed:**

1.

By way of supplementing an application for registration of the LE / changes to data on the LE (should there be no changes on the UBO(s) – information on / justification for their absence)

2.

Should changes to information on the UBO(s) occur – within 30 business days upon the occurrence of change

3.

As an annual update – within 14 calendar days commencing the year following the date of the state registration of the LE

Documents subject to submission:



Application for state registration;



Ownership structure of the LE;



Excerpt, extract or another document from trade, banking, court or similar register confirming good standing of a non-resident shareholder of the LE;



Notarised copy of the UBO's passport;



Power of attorney for carrying out registration actions in Ukraine (if applicable);



Other documents that may be required for confirmation of the ownership structure or information on the UBO(s) (birth / marriage certificates, documents confirming decisive influence, etc.).

Liability:



Administrative liability for failure to inform or filing of information on the UBO(s) with delay has been increased to **UAH 17-51 thousand (app. EUR 520 - 1,500)**.



Ukrainian legislation also envisages a criminal liability for the submission of false information in the course of the registration procedure (Article 205-1 of the Criminal Code of Ukraine).



Please also note that failure to provide complete and accurate information on the UBO(s) may trigger suspension of banking and financial operations since verification of the UBO(s) also constitutes a part of KYC and primary financial monitoring procedures the role of which has been enhanced with adoption of the new Law of Ukraine on Financial Monitoring.