

Ukraine Legal Market News

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Enforcement of court decisions with respect to recovery of funds from accounts to which the state, local budget's or budget institutions' funds are credited

According to Regulations No. 609, dated July 9, 2008, the Cabinet of Ministers of Ukraine adopted the procedure for enforcement of state bodies decisions with respect to recovery of funds from accounts to which the budget funds are credited.

It is provided by the mentioned regulations that the indisputable writing off the funds which are attributed to the national expenses of the state budget, is carried out by the State Treasury within the limits of the budget items prescribed by the law on state budget in accordance with the proper program of state expenses.

It should be also noted that the decision on the recovery of funds which are attributed to the national expenses of the state budget should be filed by legal entities or individuals for execution to the State Service of Execution and should be executed according to the Law of Ukraine On Enforcement Proceedings.

Cancellation of the notary's writ (the executive inscription of notary)

The Judicial Chamber on Commercial Issues of the Supreme Court of Ukraine left in force the decision of the Supreme Economic Court of Ukraine No. 22/228/07, dated March 14, 2008 as well as previous decisions on this issue.

According to the mentioned court decision the Law of Ukraine On Securing of the Creditors' Claims and Registration of Encumbrances does not provide for foreclosure against the pledged property by means of notary's writ (executive inscription of notary) and such foreclosure may be effected only on the basis of the respective court decision or according to the extra-judicial procedure provided for by the applicable laws. In its turn the Law of Ukraine On Securing of the Creditors' Claims and Registration of Encumbrances does not provide for such extra-judicial procedure for foreclosure as a notary's writ (executive inscription of notary).

Banking and Finance Law News

According to Order of State Commission on Regulation of Financial Markets' Services (the "State Commission") No.819, dated July 03, 2008 (registered with the Ministry of Justice on August 1, 2008, registration No.712/15403) the amendments were introduced to Regulations on Providing Certain Financial Services by Legal Entities – Subjects of Commercial Activities, Which are Not Financial Institutions.

Pursuant to the mentioned amendments an entity which is going to render financial leasing services should provide the State Commission with certain additional documents, *inter alia* with respect to premises where such entity is located and a person responsible for internal financial monitoring.

Furthermore, henceforth systematic (two or more times a year) failure to notifying of the State Commission in the prescribed terms on (i) changes to information supplied by an entity to the State Commission, and/or (ii) finding by an audit of absence of an entity at the address mentioned in a certificate on registration of legal entity serves a ground for cancellation of the mentioned certificate on registration of legal entity as a company which may provide financial leasing services.

Prohibition on land lease rights alienation and mortgage of unfinished construction

Under the Law of Ukraine dated 3 June 2008 No.309-VI Verkhovna Rada (the Parliament) of Ukraine has amended the Law of Ukraine "On Lease of the Land".

Pursuant to the abovementioned amendments sale and/or alienation by a lessee of its rights to lease the state and the municipal land is prohibited. Such prohibition restricts and makes impossible mortgage of unfinished construction located at the state or municipal land plot leased by a mortgagor. The amendments introduced to the Law of Ukraine "On Lease of the Land" seriously affect construction financing transactions typically secured by mortgage of 'unfinished construction'.

The KPD Law Firm's News

From August 2008 head office of "KPD Consulting" Law Firm is located at: 23 Kopernika Str., 04116, Kyiv, Ukraine

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The office of the company located at Suite 1, 25/40 Ivana Franka Str. 01030, Kyiv, Ukraine still works.

On the 2nd of July, 2008 Vladislav Kysil, a partner at "KPD Consulting" Law Firm, on invitation of the National Centre for the Training of Bank Personnel of Ukraine* (<http://www.nctbpu.org.ua>) acted as a visiting professor of training "Securing of obligations in practice of bank institutions". Due to Vladislav Kysil's broad professional experience, the training covered outstanding issues with respect to mortgage agreements of uncompleted construction, commercial real estate, land as well as issues concerning securing of obligations in transactions with non-residents and syndicated lending.

**the National Centre for the Training of Bank Personnel of Ukraine was established on the 17th of November, 1993. The National Bank of Ukraine and the Association of Ukrainian Banks are the founders and coordinators of the Centre. The Center is considered as the most competent institution for improving skills of bank personnel in Ukraine and also is a member of European Bank Training Network and Association of Bank Institutions of New Independent States.*

