



Ukraine Legal Market News

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Instruments of influence on the banks

The National Bank of Ukraine (hereinafter the “NBU”) adopted Regulation No.38, dated January 30, 2009 (registered with the Ministry of Justice of Ukraine on February 23, 2009), which introduced amendments to the Regulation on exercising by the NBU of instruments of influence for violation of banking laws and regulations. Pursuant to the mentioned amendments a special control regime can be implemented for the purposes of daily control over banks' activities and fulfillment thereby of the NBU's demands with respect to elimination of committed violations. The following procedures of the special control regime can be applied:

- making of all initial payments from the bank through the NBU's executives with the special software use;
- restrictions of the bank activities by means of appointment of the bank's curator.

The special control regime constitutes an additional instrument of the banks' supervision.

Valuation of the land plots

Under the Law of Ukraine dated February 5, 2009 No.959-VI Verkhovna Rada of Ukraine has amended the Law of Ukraine “On the Land Valuation”.

Pursuant to the abovementioned amendments the terms for mandatory valuation of the land plots were changed as follows:

- the land plots of the cities and towns and the land plots of agricultural designated purpose located outside the cities and towns are subject to the ‘normative pecuniary valuation’ every 5-7 years;
- the land plots of non-agricultural designated purpose located outside the cities and towns are subject to the ‘normative pecuniary valuation’ every 7-10 years.

This being said the above amendments have shortened the term set forth for the obligatory re-valuation of the lands of the cities; previously such lands should be valued every 7-10 years, presently such time period constitutes 5-7 years. We note that an amount of ‘normative pecuniary valuation’ of a land plot is a ground for calculation of the land tax and the rent payments.

The above-mentioned Amendments to the Law of Ukraine “On the Land Valuation” are effective since 26 February 2009.

Recognition of the securities' issue as invalid and unfair

Pursuant to the Resolution of the State Commission on Securities and the Stock Market of Ukraine (hereinafter the “SCSSM”) No.52, dated February 02, 2009 (registered with the Ministry of Justice of Ukraine on February 23, 2009) a procedure on the SCSSM's recognition of securities' issue as unfair, temporary suspension and renewal of a public offering of securities, as well as recognition of the securities' issue as invalid was adopted.

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The mentioned above resolution covers issue-grade securities, which issues are registered with the SCSSM, e.g. shares, enterprises' bonds, local municipal bonds, mortgage certificates, mortgage bonds, certificates of real estate transactions' funds.

Issues of securities by institutions of joint investments are not covered by the mentioned resolution.

The KPD CONSULTING Law Firm's News

On January 28, 2009 Vitaliy Patsyuk and Mykola Dolenko, partners at KPD CONSULTING Law Firm, on invitation of the National Center for the Training of Bank Personnel of Ukraine acted as visiting professors of seminar "The Law of Ukraine "On Joint Stock Companies" – what will be changed for the banks?".

The training covered: general provisions of the Law of Ukraine "On Joint Stock Companies" (the "Law"); changes to shareholders' rights and duties introduced by the Law; requirements to and registration procedure for the constituent documents of joint stock companies (the "JSC") and banks; changes to authorities, election and operation procedure of JSC's governing bodies; current practice and the Law's provisions related to shareholders agreement; the latest news of corporate laws and court practice.

The training was also focused on comparison of the Law with the effective laws and practice of the JSC's operations, as well as on the new provisions provided for by the Law related to minority shareholders' rights *inter alia*: cumulative voting for the members of the governing bodies of the JSC, procedure of the keeping and providing with the information and documentation regarding the JSC's operations, procedure of entering into substantial transactions and transactions with the personal interest, obligatory buy back procedure etc.

Should you are interested in the training materials prepared by KPD Consulting specialists (Ukrainian text only) we are willing to provide you the documents. For ordering please use: office@kpdconsulting.com.ua.