



Ukraine Legal Market News

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Control of Compliance with the Laws and Regulations on Securities by Professional Participants of the Stock Market

Pursuant to the Resolution of the State Commission on Securities and the Stock Market of Ukraine (hereinafter – the “SCSSM”) No.285, dated March 17, 2009 (registered with the Ministry of Justice of Ukraine on May 27, 2009) the Procedure for Exercising Control of Compliance with the Laws and Regulations on Securities by Professional Participants of the Stock Market (hereinafter – the “**Procedure**”) was adopted.

The Procedure provides for the unified framework for exercising control by the SCSSM of compliance with the laws and regulations on securities by professional participants of the stock market (hereinafter – the “**licensees**”) by means of conducting scheduled and unscheduled audits.

In particular, it is stipulated that the scheduled audits with respect to compliance with the laws and regulations on securities by the licensees shall be conducted by the SCSSM not more frequently than once a year.

The unscheduled audits may be conducted in case of any of the following reasons:

- written complaint on the licensee’s violation of the laws and regulations on securities;
- on the demand of the law-enforcement and other state authorities within the powers provided for by the laws;
- filing by the licensee to the SCSSM application on cancellation of the license on certain types of professional activities at stock market;
- on the initiative of the SCSSM in case of direct revealing of the licensee’s violation of the laws and regulations on securities;
- discovering by the SCSSM of new documents (events) which were not known as of the date of the scheduled audit and which can affect on the findings of such scheduled audit.

The audit shall be conducted at the premises of the licensee and/or at the SCSSM’s premises.

The Procedure is effective since June 26, 2009.

Aggravation of Liability for Theft

The Law of Ukraine “On Amendments to the Code of Ukraine on Administrative Offences and the Criminal Code of Ukraine on Aggravation of Liability for Theft” became effective on June 25, 2009.

According to the mentioned amendments the following was introduced:

- the amount of fines for minor theft was increased from 51-255 UAH to 170-510 UAH. The other kinds of punishment are mitigated as follows (correctional treatment – from two to one months and administrative arrest – from 15 to 10 days);
- the liability for the repeated minor theft was established – the fine from 510 UAH to 850 UAH, correctional treatment for the period up to 2 months or arrest from 10 to 15 days);

- property value under which the theft is considered to be minor was decreased. Thus the measure of criminal liability was decreased (from 945 UAH to 63 UAH).

Procedure for Obtaining the Permit for the Commencement of Hazardous Operations

The Law of Ukraine “On Amendments to Articles 21 and 33 of the Law of Ukraine “On Labor Protection” was adopted on June 4, 2009.

The mentioned law governs the procedure and terms of issue of a permit for the commencement of hazardous operations and exploitation of heightened danger equipment, as well as exhaustive list of the grounds for rejection of the permit issue and its cancellation. Besides, the authorized state body is obliged to publish information on all issued and cancelled permits in mass media.

The Law is effective since January 1, 2010.

Amendments to the Civil Procedure Code of Ukraine

On May 21, 2009 the Parliament of Ukraine (Verkhovna Rada) adopted the amendments to the Civil Procedure Code of Ukraine. In particular, the amendments are related to:

- additional rights and duties of under-age and juvenile in civil court proceedings;
- exemption from payment of technical and information support fees in cases on indemnification, caused by illegal decisions, actions or inactivity of public or local authorities, their officers, as well as illegal decisions, actions or inactivity of investigation, prejudicial investigation, public prosecution or court bodies;
- expansion of occasions of court jurisdiction choice by plaintiff when the claim is brought by the Ministry of Justice of Ukraine in favor of and per procurator of plaintiff, who has no domicile in Ukraine;
- procedure for under-age and juvenile witnesses interrogation in a civil process.

The amendments to the Civil Procedure Code of Ukraine are effective since June 12, 2009.

State Support of European Football Championship 2012 in Ukraine

Verkhovna Rada of Ukraine amended the Law of Ukraine “On Organization and Maintenance of European Football Championship 2012 in Ukraine” (the “Law 2012”).

According to the Law 2012 the local authorities and governmental bodies are obliged to support and facilitate the construction of objects related to European Football Championship 2012. The Law 2012 simplifies the procedures for obtaining of construction permits by developers. In particular the developers of objects related to European

Football Championship 2012 shall be released from so-called “engineer infrastructure contribution” payment. The Law limits the time period for issuance of the “construction permit” (the document which allows contractor to commence construction works on the site). Such construction permit shall be issued by the authorized body of the Ministry of Construction not later than 20 days after filing of respective request by the developer.

The Law is effective since July 01, 2009.

Prohibition of Gambling Industry and Participation in Gambling Games

Verkhovna Rada of Ukraine adopted the Law of Ukraine “On Prohibition of Gambling Industry”, dated May 15, 2009. The mentioned law was officially published in the “Uryadovi Kur’er” No. 112, dated June 25, 2009.

According to the Law it is prohibited in Ukraine:

- to take part in gambling games – games, where the main condition for participation is placing a stake, which gives a chance to win a gain (prize) and where result depends fully or partly on chance (“**gambling games**”);
- gambling industry – organization and carrying out of gambling games with the purpose of obtaining profit in casinos, with gambling machines, in bookmaker's offices and electronic (virtual) casinos (“**gambling industry**”).

In accordance with the mentioned law the following games shall not be considered as gambling games: (i) lotteries; (ii) creative and sport competitions; (iii) billiards, bowling and other games without any gain (prize); (iv) gaming with “crane-machines” (bi-coordinates machines), where a player may win as a gain (prize) material objects (toys, candies etc.); (v) drawings on free of charge basis with advertising (promotion) of goods, services, trademarks, names, business lines or commercial programs with material or cash prizes; (vi) competitions (games, panel games) where participants take part for free and where the participant, who shows the best knowledge or skills, wins material or cash prize as a result of individual victory; (vii) drawings on free of charge basis with entertaining, charitable or informative purposes.

The mentioned above law is effective since June 25, 2009. The prohibition shall be valid till adoption of the special legislation on gambling industry.