

How to control a Ukrainian debtor in times of crisis? ^{1/2}

01

Analysing the risk factors

- ✓ terms of agreement (payment terms, penalties, force majeure circumstances, applicable law and jurisdiction, etc.), estimated damage due to Ukrainian counterparty's potential failure to comply with the agreement
- ✓ nature of the counterparty's work
- ✓ counterparty's dependence on foreign currency
- ✓ current compliance with contractual obligations
- ✓ current cooperation history

02

Tracking information

- ✓ changes in the Unified State Register (suspension of business activity, change of an owner / participant / shareholder or the legal address, etc.)
- ✓ initiation of enforcement proceedings
- ✓ alienation (re-registration) of counterparty's assets in favour of related companies
- ✓ counterparty's debt to the state (incl. a tax lien)
- ✓ notice of bankruptcy proceedings or notice on initiating counterparty's restructuring procedure
- ✓ initiation of litigations
- ✓ judicial calendar of proceedings

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03

Proactive measures

1 the counterparty is facing temporary financial and / or organizational difficulties

- ✓ further monitoring of the situation
- ✓ debt restructuring (registering the right to pledge property or a share in the authorized capital; converting the debt into a share in the debtor's authorized capital)

2 the counterparty is facing significant financial difficulties

- ✓ preparing for counterparty's potential failure to comply with its contractual obligations
- ✓ drafting the documents for filing a claim with a court (incl. PoAs)
- ✓ adhering to the established terms (e.g. for filing claims against a bankrupt counterparty)

3 the counterparty has started the winding-up procedure

- ✓ getting actively involved in the process to protect your interests
- ✓ filing claims in a timely manner
- ✓ considering the peculiarities of the bankruptcy and liquidation procedures in Ukraine (e.g., short terms)