

Law on Anti-raiding adopted

On 6 October 2016, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On amendments to several legislative acts concerning introduction of European standards of protection of property rights and economic interests of citizens and investors", focused on liquidation of schemes of illegal takeover and aimed to promote the protection of property rights in Ukraine.

In particular, the Law of Ukraine "On state registration of legal entities, individual entrepreneurs and community groups" was amended with a rule, which provides that the authenticity of the signatures of the founder (participant), authorized persons or chairman and the secretary of the general meeting, affixed on the decision of the authorized body of legal entity administration, on charter document, conveyance act and divided balance sheet of the legal entity, on a statement declaring participant's withdrawal from the company, submitted for state registration of changes of the legal entity, must be notarized.

Thus, the public and charitable organizations are not subjected to notarize signatures on the decision of changes introduction in charter documents, unless they themselves set such a requirement in their charter documents.

Among the changes introduced to the Law of Ukraine "On State Registration of Rights to Immovable Property and Their Encumbrances", the following innovations should be mentioned:

- the registrar is obliged to inform the owner of the property for which the registration action will be committed on receipt of document package for registration action carrying;
- the statement of the real property owner prohibiting registration actions in the State Register of Rights and the renewal of registration actions only by court decision, which came into force, or by statement of the owner, should be mandatorily registered;
- the term for filing complaints on commissions or omissions of the State registrar to the Ministry of Justice of Ukraine and its territorial bodies was increased from 30 calendar days to 60 calendar days;
- the Ministry of Justice of Ukraine was authorised to monitor the registration actions in the Unified State Register of Rights to Immovable Property;
- the State registrar is obliged to use data from the State Land Cadastre, Unified Register of Documents, which entitle to perform preparatory and construction works and certify the commissioning of completed constructions;
- an extract from the State Registry of Rights should be provided in paper form.

Criminal and administrative responsibility was strengthened. In particular, in the Criminal Code the responsibility for following crimes was strengthened:

- for the takeover of entire property complex, its part or buildings, objects, structures, land, construction objects and other objects and illegal termination or restriction in activity in these objects and access restriction to them in the absence of extortion, the fine is from one thousand to three thousand of exemption amount (as of now the non-taxable minimum income of citizens amounts to UAH 17 (approx. USD 0.65);
- for the forgery of documents, seals, stamps and forms, sale or use of forged documents, stamps, seals by state registrar, body of state registration of rights, a person, authorized to perform state functions on registration of legal entities and individual entrepreneurs and community groups, by state enforcement officer, private executive, the fine is up to one thousand of exemption amount, or arrest for up to six months, or imprisonment for up to two years;
- for misuse of state registrar, body of state registration of rights, a person, authorized to perform state functions on registration of legal entities and individual entrepreneurs and community groups, by state enforcement officer, private executive in order to obtain ineligible advantage for himself or others, if it has caused substantial harm to legally protected rights or interests of individual citizens, to state or public interests or to the interests of legal entities – judicial restraint for up to three years with disqualification to hold certain positions or to practise certain professions for up to ten years.

The Code of Administrative Violations strengthened responsibility of officials who violate statutory deadlines for state registration of individuals and legal entities or community groups, or break the established order of state registration of rights on immovable property; such violations provide for fines from two to four exemption amounts.

Also, amendments were made to the law "On Notary". The legislative body specified the basis for annulment of licence for provision of notarial service, and gave powers to the Ministry of Justice to prepare a submission to the High Qualification Commission of notaries to annul the licence for provision of notarial service.

This law came into force on 2 November 2016.