

## Foreign investors can obtain residence permits

On 23 May 2017, the Verkhovna Rada of Ukraine adopted the Law of Ukraine On the Amendment to Several Legislative Acts of Ukraine regarding Eliminating Barriers to Attracting Foreign Investment. The Law is entering into force on 27 July 2017.

The aim of the Law is to simplify the procedure for granting temporary residence permits in Ukraine to foreign investors, holding a substantial interest in a Ukrainian company but not employed by it.

Thus, the founders, shareholders or ultimate beneficial owners (controllers) of the Ukrainian companies, having entered Ukraine with the aim of controlling the activities of such companies, are entitled by the Law to obtain temporary residence permits in Ukraine under the following conditions:

- A foreign national is a shareholder, founder or ultimate beneficial owner (controller) of such a legal entity and is registered in the Unified State Register of Legal Entities and Individual Entrepreneurs;
- Interest held by a foreign national or a stateless person or by a foreign legal entity as the ultimate beneficial owner of which the foreign national or stateless person is acting must be at least EUR 100,000 in the authorized capital of the Ukrainian legal entity at the exchange rate of the National Bank of Ukraine on the date of transferring foreign investment.

In order to renew the residence permit, foreign investors must prove:

- Employment in that company of at least three Ukrainian citizens who were employed not less than 6 months before filing the application for obtaining or extending the residence permit; or
- Payment by the company of corporate income tax amounting to at least fifty minimum wages for the last full financial year before filing the application for obtaining or extending the residence permit.

The residence permits granted to the founders, shareholders or ultimate beneficial owners (controllers) of Ukrainian companies shall be valid for the period of 2 years.