

## **Improvement of state property privatization process in Ukraine**

The Law on improvement of privatization process dated 16 February 2016 became effective on 6 March 2016.

The Law establishes that legal entities and their affiliates, registered in countries, which are defined by the Parliament of Ukraine as aggressors, are not allowed to participate in privatization. In addition, no persons from the countries under sanctions are allowed to participate in privatization process. Such restrictions also apply to individuals and their related persons, who are citizens of an aggressor country or a country under sanctions.

In order to prevent fragmentation of shares and to accelerate the process of privatization, provisions concerning mandatory offer for sale at stock exchange of shares representing 5-10% of charter capital of joint stock companies prior to privatization auction were excluded.

The Law envisages a possibility of involvement of external counsels for preparation of privatization and sale of strategic enterprises under the procedure established by the Cabinet of Ministers of Ukraine. This will improve privatization process in line with the international standards.