

Verkhovna Rada abolished registration of foreign investment

On 31 May 2016, the Verkhovna Rada of Ukraine adopted the Law on abolition of mandatory state registration of foreign investment, which become effective on 25 June 2016.

The purpose of this Law is to create up-to-date conditions for attraction of investment by way of full simplification of financing process.

In particular, the Law provides for abolition of the respective provision of the Commercial Code of Ukraine, which deals with mandatory state registration of foreign investment, as well as restatement of the relevant article of the Law of Ukraine "On foreign investment regime".

However, for entities with foreign investment and bank institutions the mandatory statistical reporting on already made foreign investment pursuant to Ukrainian legislation remains in force.

In addition, the Law provides that both foreign investment registered before effectiveness of the Law and foreign investment not registered following effectiveness of this Law are equally considered to have benefits and guarantees in accordance with Ukrainian legislation.