

On 16 February 2016, the Ukrainian Parliament adopted amendments to the privatization law.

The Law is currently transferred for the President's consideration and will be effective after it is officially published (likely, early spring). The amendments were pushed by the Ukrainian Government in order to promote its Privatization Program for 2016, including the privatization of PJSC Odesa Port Plant (a major chemical production company with ammonia and urea transshipment facilities).

The most important changes to Ukrainian privatization procedures are as follows:

- **No privatization by "aggressor state"**. The law now bans privatization of Ukrainian enterprises by, *inter alia*, citizens or legal entities of any "aggressor state". Thus, Russian citizens or legal entities, or their representatives, or controlled by or related to them, may not purchase shares in privatized state-owned enterprises.
- **Beneficiaries disclosure**. The law requires potential buyers to disclose information on their beneficiaries in which interests of state-owned enterprises are purchased.

- **Obligatory presale cancelled**. The obligatory pre-sale on the Ukrainian stock exchange of 5-10% shares of privatized state-owned enterprises prior to the tender is cancelled.
- **Arbitration allowed**. The law allows privatization authorities to provide arbitration clause in sale and purchase agreements regarding privatization objects.
- **External advisors**. The law allows involving external advisors to prepare strategic state-owned companies for privatization and sale. Such external advisors will be selected through public tenders.

We will continue to monitor and inform of changes affecting our clients. Please contact us for more detailed information.

Contract

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