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IN THIS ISSUE:

The scope of administrative and criminal responsibility of executives for untimely or partial payment of salaries has been increased

Under the law of Ukraine “On Introducing Amendments to the Code of Ukraine on Administrative Violations and to the Criminal Code of Ukraine on the Increase of Responsibility for Untimely Payment or Unjustifiable Non-payment of Salaries, Scholarships, Pensions or other Payments Established by Law” No.1027-VI of 19.02.2009, the administrative and criminal responsibilities of executives for: breach of the prescribed payment terms for salaries; non-payment of salaries; and breach of certain other provisions of Ukrainian labor laws were increased, in particular:

(i) Under article 41 of the Code of Ukraine on Administrative Violations, breach of the prescribed payment terms for salaries, partial payments thereof and other violations of the provisions of Ukrainian labor laws shall result in the imposition of a fine on officials of the respective enterprises, institutions or organizations, irrespective of the ownership form of such enterprises, institutions or organizations, and on individuals who are “subjects of private entrepreneurship” in the amount of 30 to 100 per cent of the non-taxable individual minimum wage, being **UAH 510 – 1,700**

(prior to the introduction of these changes the fine was UAH 255 – 850);

(ii) Under article 188-6 of the Code of Ukraine on Administrative Violations, failure to meet the legitimate requirements of the government bodies for the supervision of compliance with labor laws with respect to eliminating violations of labor and state social insurance laws or hampering the activities of such bodies shall result in the imposition of a fine on the respective officials in the amount of 50 to 100 per cent of the non-taxable individual minimum wage, being **UAH 850 – 1,700** (prior to the introduction of these changes the fine was UAH 170 - 238);

(iii) Under part 1, article 175 of the Criminal Code, unjustifiable, deliberate non-payment of salary for a period exceeding 1 month by an executive shall be punishable by a fine in the amount of 500 to 1,000 per cent of the non-taxable individual minimum wage, being **UAH 8,500 – 17,000** (1,700 – 5,100) or by community service for a period of up to 2 years, or by imprisonment for a period of up to 2 years and a ban from being employed in certain



positions or engaging in certain activities for a period of up to 3 years;

(iv) Under part 2, article 175 of the Criminal Code, unjustifiable, deliberate non-payment of salary for a period exceeding 1 month by an executive, due to use of the funds intended for payment of salaries for other purposes, shall be punishable by a fine in the amount of 1,000 to 1,500 per cent of the non-taxable individual minimum wage, being **UAH 17,000 – 25,500** (prior to the introduction of these changes the fine was UAH 8,500 – 17,000) or by imprisonment for a period of up to 3 years, or by imprisonment for a period of up to 5 years and a ban from being employed in certain positions or engaging in certain activities for a period of up to 3 years.

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Based on client and peer research by leading independent publisher Chambers and Partners, the award was collected on behalf of the firm by Oleg Batyuk, Managing Partner of the Kyiv office. The firm's Ukraine presence was also singled out for honour in the evening's individual jurisdiction categories.

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