Baker McKenzie.

Ukrainian Laws in Wartime: Guide for International and Domestic Businesses

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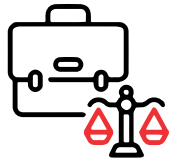
Introduction



Martial law has been in force in Ukraine since 24 February 2022, when the Russian Federation launched a full-scale military invasion of Ukraine. As a result, special legislation has been enacted in various areas, including those directly affecting business activity.

This guide provides a brief overview of the main features of such wartime legislation. The guide is structured as a series of answers to the most common questions raised and considered by international and Ukrainian companies today.

Please note that Ukrainian legislation is subject to frequent changes and adjustments during this extraordinary period. We aim to update this guide quarterly. Please seek out and use the most recent version of this guide. We cannot exclude the possibility that, from time to time, the text available to you may not be up to date or may not reflect the latest developments. This guide should not be regarded as a substitute for specific legal advice tailored to your particular situation and needs. Please always seek our specific and personalized advice on which you can rely when making decisions or planning actions for your business. Our Ukrainian legal experts are available to assist you in the most efficient and reliable manner, with the quality standards usual for our global firm.

Table of Contents

01 Martial Law and Special Legislation
- a. Martial Law
- b. Special Legislation

02 Employment and Migration
- a. Employment
- b. Migration

03 Corporate

04 Financial Arrangements and Financial Sector
- a. Lending Arrangements
- b. Security Arrangements and Encumbrances
- c. Foreign Exchange Restrictions and Anti-money Laundering
- d. Regulation of Banking Activity
- e. Regulation of Non-banking Financial Institutions
- f. Capital Markets

05 Tax and Customs

06 Real Estate

07 Work of State Courts and Arbitration Tribunals

08 Bankruptcy Proceedings

09 Enforcement Proceedings

10 Intellectual Property

11 Antitrust and Competition

12 Foreign Direct Investments Screening Regime

13 Compliance

01 Martial Law and Special Legislation

Martial Law and Special Legislation

Martial Law

What is the general legal framework of martial law?

In accordance with the President's Decree “On the Introduction of Martial Law in Ukraine” (“**Decree**”) and the Resolution of the Cabinet of Ministers of Ukraine “Issues Related to Introduction and Ensuring the Implementation of Measures of Martial Law in Ukraine” starting from 24 February 2022 the military command together with military administrations either independently or together with the Ministry of Internal Affairs of Ukraine, other executive bodies and local self-government authorities are authorized to introduce various restrictions of rights and freedoms of individuals as well as rights and legal interests of legal entities, including, *inter alia:*

- forced alienation of private property for the needs of the state in the martial law conditions with full compensation of the value of the alienated property and the issue of relevant documentation;
- adjustment of legal entity’s activity to the conditions of the special period; introduction of mobilization facilities of enterprises; release of goods of mobilization reserve (stock) by enterprises;
- use of enterprises' facilities and workforce for the needs of defense; change in their working schedules and other changes in business activity;
- conduct checks of documents, property, vehicles, luggage and cargo;
- introduction of a special regime for manufacturing and selling medicines that contain drugs, psychotropic substances and precursors, other potent substances pursuant to the list, determined by the Cabinet of Ministers of Ukraine;
- replacement of the company’s management due to improper performance of their duties under the Law of Ukraine “On the Legal Regime of Martial Law”;
- if needed, engagement of business entities dealing with manufacturing medicines, wholesale and retail trade in medicines, import of medicines, to the extent necessary to satisfy Armed Forces needs, other military units in medicines and medical devices.

Martial Law and Special Legislation

Martial Law

How long will the martial law regime remain effective?	The period of the martial law regime has been extended until 31 October 2026, but it can be further extended unlimited times. Martial law terminates in case of expiration of its period or adoption of the President's decree on the termination of martial law.

Martial Law and Special Legislation

Special Legislation

(i) Expropriation Law	

Who is targeted under the Expropriation Law?	Effective from 7 March 2022 the Law of Ukraine "On the Basic Principles of Forced Expropriation in Ukraine of Property of the Russian Federation and Its Residents" ("Expropriation Law") authorised Ukrainian authorities to expropriate the property directly or indirectly owned by:
	■ the Russian Federation;
	■ legal entities (their branches, representative offices) operating and registered in Ukraine in which:
	  ■ the participant (shareholder) or beneficial owner (directly or indirectly) is the Russian Federation; and/or,
	  ■ the Russian Federation (directly or indirectly), or legal entities directly or beneficially owned by the Russian Federation, directly or indirectly own interest in the capital, shares, membership units, or any other form or membership or participation in a legal entity.
	On 1 April 2022, the Ukrainian Parliament adopted the law on amendments to the Expropriation Law ("Amendments to the Expropriation Law") which significantly expands the circle of persons affected by the Expropriation Law. As of now, the Amendments to the Expropriation Law have not become effective yet.

What property can be expropriated?	Any movable and immovable property, funds, bank deposits, securities, corporate rights and other property (assets) that are located (registered) in Ukraine and directly or indirectly owned by the Russian Federation or its residents specified above.

Martial Law and Special Legislation

Special Legislation

(ii) Export/Import	
Have any changes to export/import settlements been introduced during martial law?	Yes. The National Bank of Ukraine ("NBU") adopted Resolution No. 18 dated 24 February 2022 "On Operation of Banking System Under Martial Law" which reduces deadlines for settlements on export/import operations carried out starting from 5 April 2022 from 365 days to 180 days (with some exceptions). The above deadline shall not apply to export/import operations in the amount of less than 400 000 UAH (or approximately 9 669 USD) (except for the fragmentation of such operations).). However, the NBU has established a reduced settlement period of 120 days for the export of certain agricultural products and an extended settlement period of 270 days for the export and import of specialized machinery.
Have any trade restrictions related to the Russian Federation been introduced during martial law?	Yes. Starting from 9 April 2022, the import of goods to Ukraine from the Russian Federation is prohibited accordance with Resolution of the Cabinet of Ministers of Ukraine No. 426 dated 9 April 2022 "On Application of Ban on Import of Goods from the Russian Federation".
Have any changes to the procedure of import of humanitarian aid been introduced?	From the very beginning of the full-scale Russian military invasion of Ukraine, the import of humanitarian aid was simplified, and a declaratory principle applied. Starting from 1 December 2023, the new procedure for the import of humanitarian aid into Ukraine providing for the implementation of the automated system of registration of humanitarian aid in Ukraine was adopted.

Martial Law and Special Legislation

Special Legislation

(iii) Public Procurement	
Have any changes to public and defense procurement procedures been introduced during martial law?	Yes. Special procedures apply for both public and defense procurement for the period of martial law as provided for in CMU Resolution dated 12 October 2022 No. 1178 “On Approval of Features of Public Procurement of Goods, Works and Services for Purchasers Specified in the Law of Ukraine “On Public Procurement” for the Period of the Legal regime of Martial Law in Ukraine and Within 90 Days from the Date of its Termination or Abolition” and CMU Resolution dated 11 November 2022 No. 1275 “On Approval of Features of Defense Procurement for the Period of the Legal regime of Martial Law in Ukraine”.
What happens to the procurements initiated before the introduction of martial law?	Procurement and simplified procurement procedures started before the introduction of martial law shall be completed in accordance with provisions of the Law of Ukraine “On Public Procurements”. However, if the purchaser does not have the ability to complete such procurement due to circumstances beyond its control, the purchaser may declare the tender not to have taken place in accordance with Article 32(5) of the Law of Ukraine “On Public Procurements” (“conduction of procurement has become impossible due to force majeure”).

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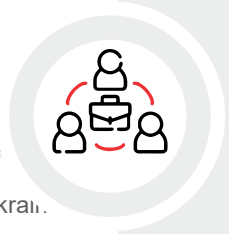
02 Employment and Migration

Employment and Migration

Employment



Does the employer have an obligation to relocate/ evacuate employees in case of military attack?	Ukrainian employers are not obligated to relocate/evacuate their employees to a safe location in the event of a military attack. However, employers may permit employees to relocate voluntarily to other cities within Ukraine or abroad by implementing remote work arrangements.
Does the employer have an obligation to provide financial assistance to the employees during wartime?	Ukrainian employers are not required to provide special financial assistance to employees during wartime. However, employers may choose to provide financial support at their discretion.
Which work schedule is advisable during wartime?	Employees in Ukraine are entitled to a safe working environment. Therefore, in the event of a military attack, the employer cannot expect the employees to come to the office for safety reasons. In such circumstances, employers may implement a remote work arrangement (Ukrainian: *дистанційна робота*), allowing employees to work from home or from any other location of their choice, including abroad. The company's CEO should issue an internal order authorizing employees to work remotely from their place of residence or any other location of their choice, including abroad.
Are there any guarantees provided for drafted employees?	If an employee is called up for military service during a special period, such as the one currently in effect, the employee is entitled to retain their job and position until the end of their military service during that period, unless the employee resigns earlier. Since 19 July 2022, employers have not been required to continue paying the average salary of employees who have been called up for military service.

Employment and Migration

Employment

Are there any guarantees provided for drafted employees?	In addition, former military service members are granted a preferential right to remain employed in the event o workforce reduction resulting from changes in the organization of production and labor, provided that labor productivity and qualifications are equal. This protection applies for two years following their discharge from military service.
How have the employment and termination terms changed due to wartime?	On 24 March 2022, Law No. 2136–IX of Ukraine, "On Labor Relations During Martial Law", dated 15 March 2022, entered into force ("Law"). The Law establishes special rules governing employment relations during martial law (i.e., until at least 31 October 2026). Under the Law, employers may: ■ Establish a probation period for any newly hired employee ■ Enter into fixed-term employment agreements with employees who replace employees absent because of evacuation, temporary disability, etc., ■ Terminate employment at the employer's initiative during an employee's temporary disability or vacation, subject to certain exceptions. In specified cases, terminate employment because an employee fails to bring their military registration documents into compliance with statutory requirements during the period of reservation from mobilization ■ Suspend an employment agreement without formally terminating it The Law also introduced the following additional grounds for termination of employment: (i) the employee's death or a court decision declaring the employee missing or deceased; (ii) the employee's absence from work, including the absence of information regarding the reasons for the absence, for more than four consecutive months; (iii) The employer's inability to provide work because the means of production, property, or other necessary assets have been destroyed as a result of hostilities.

Employment and Migration

Employment

Do employees need to be informed about changes in employment terms during wartime?	Yes. Employees must be informed of any changes to their employment terms any time before those changes t effect.
What has changed regarding working time and vacation due to wartime?	For employees working at critical infrastructure facilities, the Law increased the maximum working time to 60 hours per week (or 40 hours per week where reduced working hours apply). With respect to vacation, employers has the right not to grant vacation to an employee (except for certain types of vacation) if the employee performs work at critical infrastructure facilities. The Law also permits employers to grant unpaid leave at an employee's request without the usual restrictions on its maximum duration. In addition, employees who have relocated abroad or who have obtained internally displaced person status are entitled to up to 90 calendar days of unpaid leave.
Will the employer be liable for failing to pay a salary in a timely manner?	Under the Law, employers may be relieved of liability for failure to pay salary on time in certain circumstances. The Law also permits employers to suspend salary payments where they are unable to make such payments because of military action or an inability to carry out their normal operations. Such suspension may continue until the employer is able to resume normal business activities.
What has been simplified regarding employer and employee relations due to wartime?	The relaxation of the employment regulation was introduced by Law No. 2434-IX of Ukraine, dated 19 July 2022. The law applies to: (i) employment relationships involving small and medium-sized enterprises, namely employers with up to 250 employees and annual revenue of up to EUR 50 million; or (ii) employment relationships involving employees whose salary exceeds eight times the statutory minimum monthly salary. The law remains in effect for the duration of martial law and will cease to apply once martial law ends. Additionally, the law allows employers and employees to directly regulate the terms for employment and

Employment and Migration

Employment

What has been simplified regarding employer and employee relations due to wartime?	termination, remuneration, allowances, bonuses, rewards and other incentives, compensatory payments, work hours, vacation, rest, or other rights and guarantees in the employment agreement that are normally defined by the Labor Code of Ukraine. Where these matters are regulated directly in the employment agreement, employ no longer required to maintain separate personnel, organizational, administrative or local policy documentation covering th same issues.
What has changed in the employment of persons with disabilities?	On 1 January 2026, Law of Ukraine No. 4219-IX "On Amendments to Certain Laws of Ukraine on Ensuring the Rights of Persons with Disabilities to Work", dated 15 January 2025, entered into force. Under this law, employers may either employ persons with disabilities, with the applicable requirement depending on the company's headcount and principal business activities, or pay a monetary contribution calculated under a statutory formula that takes various factors into account. Among other things, employers must provide reasonable accommodation in the workplace for persons with disabilities, as well as written reasons for refusing to enter into an employment agreement with a person with a disability or to transfer such person to another position, including by way of promotion. The State Labor Service monitors compliance with the disability employment quota through scheduled and unscheduled inspections covering periods from 1 July 2026 onward. In addition, on 19 August 2026, a new regulatory act was adopted providing that, for the purposes of calculating the disability employment quota, positions occupied by employees who perform their duties directly in areas of active hostilities are excluded from the calculation, thereby reducing employers' quota and contribution obligations. This exemption applies retroactively from 1 January 2026, for the duration of martial law, and for three months following its termination or cancellation.
Is it possible to temporarily suspend an employment agreement? What are the key legal features of such a suspension?	Yes. Either party may suspend an employment agreement, resulting in the temporary suspension of the employer's obligation to provide work and the employee's obligation to perform it. However, during martial law, any unilateral suspension may not exceed an aggregate period of 90 calendar days, subject to certain exceptions. Once that period expires, the employment agreement must be fully reinstated. If, following reinstatement, either party is unable to perform its obligations, the employment agreement should be terminated on one of the statutory grounds available under applicable law.

Employment and Migration

Employment

Are there any developments as regards the military registration of Ukrainians and related obligations of the employer?

According to (i) the "Procedure for Organisation and Maintenance of Military Registration of Conscripts, Persons Liable for Military Service and Reservists," approved by Resolution of the Cabinet of Ministers of Ukraine No. 1487, dated 30 December 2022, as amended, and (ii) the "Procedure for Conscription of Citizens for Military Service During Mobilisation," approved by Resolution of the Cabinet of Ministers of Ukraine No. 560, dated 16 May 2024:

- Responsibility for organizing military registration within a company rests with its management
- When hiring an employee, employers must verify that the individual holds a valid military registration document, whether in electronic or paper form. In addition, no earlier than 72 hours before the employee's start date, the employer must verify that the information contained in the military registration document matches the data maintained in the Unified State Register of Conscripts, Persons Liable for Military Service, and Reservists
- During onboarding, the employer must inform conscripts, persons liable for military service and reservists of the military registration rules and obtain their acknowledgment by signature
- Within seven days after issuing an order on hiring or termination, the employer must notify the relevant territorial centres of recruitment and social support ("TCR") of a change to the credentials of the conscripts, persons liable for military service and reservists. Where technically feasible, employers may submit such notifications electronically through the Diia Portal or the employer's personal account in the Unified State Register of Conscripts, Persons Liable for Military Service, and Reservists. In such cases, submission of a paper notification is not required.
- If a company receives a relevant order from the TCR and/or a military administration, the company's CEO must:
  - issue an order notifying the relevant employees and appoint responsible persons;
  - organize notification of employees through the company's designated personnel, including by delivering summonses against signature or sending the notification order by mail, as applicable;
  - notify the TCR in writing within three days of the results of the notification process and of the employees' compliance with applicable legal requirements;
  - ensure that the relevant employees report to the TCR;
  - promptly inform the TCR of employees who either: (i) refuse to receive summonses; or (ii) submit resignation letters

Employment and Migration

Employment

Are there any developments as regards the military registration of Ukrainians and related obligations of the employer?	Among other things, employees must comply with the following obligations: ■ All male citizens aged 18-60 must carry their military registration document and passport and present them upon request by authorized persons ■ By 17 July 2024, individuals subject to military service were required to update their military registration information ■ Ukrainians who were removed from the military register after leaving Ukraine must re-register. The same requirement applies to women who are fit for military service and have a medical or pharmaceutical education. Female graduates in these fields must report in person to their local TCR within 60 days of completing their studies to determine their fitness for military service.
Is it possible to reserve employees liable for military service during martial law?	Yes. This option is available, among others, to companies recognized as either (i) serving certain military needs or (ii) having critical importance to the Ukrainian economy. Such companies may reserve a certain percentage of employees liable for military service from mobilization for up to 12 months, regardless of military rank, age or military specialty. The reservation may also apply to ultimate beneficial owners (controllers) and members of supervisory boards. Companies that reserve employees have additional obligations, including: (i) notifying the TCR of any change in the position of a reserved employee, (ii) submitting required information to the Pension Fund of Ukraine, and (iii) canceling reservations through the Diia Portal within 10 business days if the statutory reservation limits are exceeded. Additionally, the company is obliged to pay each employee for whom reservation is requested a monthly salary of at least 3 times the minimum monthly salary (i.e., UAH 25,941, or approximately USD 580 at the current exchange rate), subject to certain exceptions. Reserved employees must also keep their military registration information up to date and must not be listed as wanted persons (for example, for evading military service).

Employment and Migration

Employment

Is it possible to reserve employees liable for military service during martial law?	Under the current rules, the reservation needs to be done by an electronic submission through the Diia Portal. As a general rule, the number of reserved employees may not exceed 50% of employees who are liable for military service, subject to certain exceptions. This threshold may be increased by a separate decision of the Minister of Defense. Effective 4 December 2025, Law No. 4630-IX "On Amendments to Certain Laws of Ukraine Regarding the Organization of Labor Relations Under Martial Law", dated 9 October 2025, permits defense-critical companies to employ individuals whose military registration documents are incomplete or outdated and to reserve such individuals from mobilization for up to 45 calendar days. If the employee remedies these deficiencies during the reservation period, they become eligible for reservation under the general rules. When calculating the quota of individuals liable for military service who may be reserved, the following categories are excluded, among others: (i) women liable for military service, (ii) individuals registered with the Security Service of Ukraine or other intelligence agencies, and (iii) individuals who have already been reserved by another employer. Conversely, the quota includes employees called up for military service after 18 May 2024, as well as individuals who voluntarily entered military service.

Employment and Migration

Employment

What is the liability for violations of military registration regulations or the wider laws on mobilization?	Directors and other officers of a Ukrainian legal entity may be subject to administrative liability for violations of military registration requirements or broader military service legislation. The maximum administrative fine should not exceed UAH 59,500 (approx. USD 1,324) per violation. Currently, there is no criminal liability of directors or corporate officers of a Ukrainian legal entity for such violations. Violations of military registration requirements by conscripts, persons liable for military service, or reservists, including failure to update registration data by 17 July 2024, may result in a fine of up to UAH 25,500 (approximately USD 575). Depending on the circumstances, such as failure to appear in response to a summons, additional measures may include: ■ administrative detention and transfer of the employee to the TCR ■ restriction of the right to operate a motor vehicle If an individual's conduct qualifies as evasion of military service during mobilization, criminal liability may apply and may result in imprisonment for up to five years.
Are there any labor audits during martial law?	As a general rule, both scheduled and unscheduled labor audits are suspended during martial law, subject to certain exceptions. However, unscheduled audits may still be conducted to verify compliance with the Law, employment documentation requirements, and employment termination procedures. Such audits may be initiated, among other circumstances: (i) At the request of an employee, a trade union, or the Kyiv City (or Regional) Military Administration; (ii) on specific grounds provided by law or (iii) in connection with an employer's failure to comply with an order requiring the elimination of violations, issued after 1 May 2022. Effective 1 October 2025, the State Labor Service of Ukraine is authorized to conduct unscheduled inspections during martial law, including inspections relating to: (i) undeclared employment relationships, (ii) allegations of mobbing (workplace harassment), and (iii) the lawfulness of employment termination. Such inspections may be conducted at the request of an employee or a trade union.

Employment and Migration

Employment

Are there any additional developments on granting leave during martial law?

On 24 December 2023, Law No. 3494-IX of Ukraine, “On Amendments to Certain Legislative Acts of Ukraine on Granting and Use of Leave and Other Issues”, dated 22 November 2023, entered into force. The law introduced several amendments to the existing leave legislation, including the following:

- Employees discharged from military service following the end of a special period or demobilization are entitled to up to 60 calendar days of unpaid leave
- Employees who are called up for military service are entitled, upon request and based on a written application, to monetary compensation for: (i) all unused days of their annual leave; (ii) unused additional leave available to certain categories of employees with children
- During martial law, employers that are designated as critical infrastructure facilities, manufacture defense-related products, or perform obligations under a mobilization order may refuse to grant leave (subject to certain exceptions) to employees who are directly involved in the relevant production process

Employment and Migration

Migration

Are there any restrictions on leaving Ukraine during martial law?

Effective 28 August 2025, the restriction on international travel for Ukrainian men aged 18 to 22 during martial was lifted, subject to certain exceptions. As a result, the prohibition on leaving Ukraine generally applies only to Ukrainian men aged 23 to 60, subject to limited exceptions, including the following:

- Men who are caring for three or more children under the age of 18
- Men who hold certain positions, including positions within military governing bodies, military units, enterprises, institutions, and organizations affiliated with the Ministry of Defense of Ukraine, the Armed Forces of Ukraine, etc.,)
- Individuals with disabilities and, in certain cases, accompanying persons, etc.

However, all Ukrainian men aged 18 to 60 are subject to military registration document checks when crossing the Ukrainian border, including when departing from Ukraine.

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03 Corporate

Corporate

Are there any limitations on the alienation of participatory interests in a limited liability company (LLC), shares in a joint stock company (JSC) or other securities?

Except for the involvement of persons associated with the aggressor state, no laws or regulations limiting the conclusion of sale and purchase contracts of the participatory interests in LLCs or shares in JSCs have been issued.

On 3 March 2022, the Cabinet of Ministers of Ukraine (CMU) adopted Resolution No. 187 “On Ensuring the Protection of National Interests in Future Lawsuits of Ukraine in Connection with Military Aggression of the Russian Federation,” which imposed a moratorium on, among other things, alienation, pledge, and any other action that may result in the alienation of participatory interests or securities by legal entities associated with the aggressor state unless such disposal is made to Ukraine for no consideration and some other exceptions (e.g. international groups of companies meeting certain criteria). Such restrictions apply to the following persons:

- The Russian Federation
- Citizens of the Russian Federation (except for individuals residing in Ukraine on legal grounds)
- Legal entities established and registered under the laws of the Russian Federation
- Legal entities established and registered under the laws of Ukraine, having anybody listed above among its ultimate beneficial owners, members or participants (shareholders) for 10 or more percent.

The resolution established that any contract, agreement, transaction, deed, power of attorney, or other arrangement made or issued in violation of the moratorium (including those providing for such alienation in the future) is considered null and void.

Subject to the aforementioned limitations, both individuals and legal entities are permitted to freely transfer their participatory interests, shares, or other securities.

Corporate

Have changes been made to the procedure for the registration of changes with the Companies Register?	Formerly, state registration of changes to the information in the Companies Register had to be filed in the territory (region/city) where a legal entity has its registered address. Now, those legal entities with their registered address being within the territories of active hostilities, as per the list of such territories administered by the Ministry of Justice of Ukraine, may file for state registration of changes to the information in the Companies Register in any other location within Ukraine.
Have changes been made to the procedure for provision of notarial services?	According to Resolution of the CMU No. 164 dated 28 February 2022 “On Certain Matters of Notarial Activities During Martial Law”, notaries shall refuse providing notarial services to individuals and legal entities associated with the aggressor state (please refer to the respective criteria as mentioned above). This precludes such persons from entering into agreements (e.g., for the alienation of real estate) or corporate documents which require notarization (e.g., acts of transfer and acceptance of participatory interests in the charter capital, minutes of governing bodies, etc.).
Have any changes been made to the procedure of holding annual meetings of Ukrainian companies?	The Ukrainian government has not extended the statutory deadlines for holding annual meetings of participants of LLCs. Therefore, LLCs shall hold annual meetings until 30 June. Shareholders of JSCs shall hold annual meetings of participants until 30 April, unless a JSC has legitimate grounds to delay the holding of the shareholders’ meeting. In the latter case, such JSC should hold the shareholders’ meeting within 90 days after martial law ends. In terms of procedure, participants of LLCs enjoy a statutory right to hold an annual meeting via video conference, provided that all participants have the ability to see and hear other participants simultaneously. Shareholders of JSCs and corporate investment funds may hold remote meetings under a temporary procedure during martial law under Resolution of the National Securities and Stock Market Commission (NSSMC) No. 236 dated 6 March 2023 “On Approval of the Temporary Procedure for Convening and Remote Holding of the General Meeting of

Corporate

Have any changes been made to the procedure of holding annual meetings of Ukrainian companies?	Shareholders" and Resolution of the NSSMC No. 754 dated 6 July 2023 "On Approval of the Procedure for Convening and Remote Holding of General Meetings of Participants of the Corporate Investment Fund During the Period of Martial Law".
Have the deadlines for submitting financial information been extended?	Yes. On 3 March 2022, the Ukrainian Parliament passed Law No. 2115-IX "On Protection of the Interests of Entities Submitting Reports and Other Documents During Martial Law or a State of War." The Ukrainian Parliament extended the deadline for filing financial reporting documents until three months following the end of martial law. If some reporting entities are physically unable to comply with the extended term due to the immediate consequences of their participation in wartime hostilities, such reporting entities may file the financial reporting documents within one month after they are physically able to do so. The financial reporting documents include accounting, financial, settlement documents, audit reports, and any other documents that shall be submitted following applicable law in documentary or electronic form. However, tax reporting obligations are exempt from the above rule. Please refer to this page for more details on tax reporting. Additionally, starting from 5 July 2025, the obligation to submit statistical and financial reporting to the state statistics authorities has been renewed.

Corporate

Have the deadlines for submitting regulated information by issuers of securities been extended?	The obligation to disclose regulated information was reinstated as of 28 August 2025 under amendments to Law No. 2115-IX “On Protection of the Interests of Entities Submitting Reports and Other Documents During Martial Law or a State of War” dated 3 March 2022, as amended on 9 January 2025. Starting from Q3 2025, regulated information must be disclosed in accordance with the standard timeframes prescribed by Ukrainian legislation.

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04 Financial Arrangements and Financial Sector

Financial Arrangements and Financial Sector

Lending Arrangements

Can a Ukrainian bank lender increase the interest rate under an existing loan agreement?	On 15 March 2022, the Verkhovna Rada of Ukraine adopted Law 2120-IX amending certain legislative acts due to martial law ("Law 2120-IX"). Law 2120-IX prohibits the increase of interest rates under consumer loans specifically for the period until 30 days after martial law ends. No general prohibition on the increase of interest rates due to martial law has so far been adopted.
Will negative consequences be applied to borrowers who have failed to make relevant payments under loan agreements during martial law?	Generally, no. On 25 February 2022, the NBU introduced Regulation No. 23 approving "Rules of Banks' Activity Due to the Introduction of Martial Law" ("Restructuring Regulation"). The Restructuring Regulation liberalized certain regulatory requirements related to credit risk assessment, with the aim of not qualifying the nonpayments under loan agreements as defaults during martial law and for 30 days after and encouraging Ukrainian banks to enter into debt restructuring arrangements ("Restructurings") with their clients suffering from the consequences of Russia's military aggression. In March, the NBU clarified that borrowers should agree on payment holidays (and possibly other restructuring measures) with banks individually. In addition, the amendments to the Civil Code of Ukraine introduced by Law of Ukraine 2120-IX established that borrowers that fail to perform their obligations under loan agreements within the martial law period or 30 days after, should not bear the negative consequences of such failure, i.e., should not pay penalties or make other payments triggered by the failure. The borrowers, however, will not be released from the obligations to perform their underlying payment obligations under the loan, such as the payment of principal and interest, upon the expiry of the aforesaid period. Creditors still have the right to debit penalties, if the borrower's failure to pay occurred before or on 24 February 2022. Similar rules were enacted with respect to consumer loans.

Financial Arrangements and Financial Sector

Lending Arrangements

Are all the borrowers eligible for a Restructuring?	According to the Restructuring Regulation, the credit risk regulatory easement and the Restructurings should be available to debtors that were not in default as of 24 February 2022. The implementation of the Restructuring is also subject to the following conditions: ■ The need to enter into the Restructuring is caused by the borrower's financial difficulties due to Russia's military aggression against Ukraine. ■ The loan agreement was restructured between 24 February 2022 and 30 September 2025 (inclusive), and no changes were made to the terms of the agreement after 30 September 2025 regarding an increase in the amount or term of use of the asset. ■ The bank is able to justify the commencement of a Restructuring based on the debtor's evaluation in terms of the timeframes defined by the Restructuring. In addition, under the amendments introduced by the NBU on 7 August 2026, a bank may refrain from recognizing a borrower's default in connection with a short-term restructuring of up to one year where the borrower's financial difficulties were caused by the full-scale war and the bank reasonably expects the borrower to resume debt servicing. This regulatory treatment applies to restructurings carried out from 1 July 2026 until 1 September 2027.
What measures may be implemented pursuant to the Restructuring Regulation?	There is no exhaustive list of Restructuring measures; the set of such measures may be negotiated by a bank and its client on a case-by-case basis and may include a decrease of the interest rate, partial write-off of debt, deferral of the principal installments repayment and extension of maturity dates (payment holidays), introduction of a PIK interest option (accrued interest is capitalized and added to the principal amount), decrease of installments and other payments amounts, etc.,
Do the payment holidays under Restructurings and consumer loans mean that the payment	No. Payment obligations will be postponed for the period negotiated with the bank.

Financial Arrangements and Financial Sector

Lending Arrangements

Can the introduction of martial law be treated as a force majeure event allowing to defer payments under loan agreements and to exempt borrowers from liability for the respective nonperformance of payment obligations?	Generally, no. Unless otherwise expressly provided in the loan agreement (which would customarily not be the case), force majeure events (except those directly affecting the banking or payment systems) do not entitle the borrower to defer payments under the loan agreement and, accordingly, do not enable exemption from liability for the nonperformance of such obligations. However, please note the above comments to the questions on the non-application of penalties for the nonpayment under loan agreements during martial law.

Financial Arrangements and Financial Sector

Security Arrangements and Encumbrances

Can a lender enforce a pledge during the martial law period?	Currently, there is no general prohibition on enforcement of pledges during martial law. However, the amendments introduced by Law No. 2120-IX permit the deferral of payment obligations under loans and prohibit the imposition of fines, penalties or other monetary sanctions for failure to perform payment obligations during wartime. Although there is no express indication that such prohibition should also apply to the enforcement of pledges (to the extent they secure consumer loans), it can be argued that such enforcement should not be permissible if it is triggered by a payment default occurring during the martial law period.
Is a lender allowed to enforce a mortgage during the martial law period?	Law No. 2120-IX suspended articles of the Law of Ukraine “On Mortgage,” which regulated certain aspects of enforcing real estate property under mortgage agreements, for the period of martial law and for 30 days after. Importantly, the prohibition on enforcing is applicable solely to the objects mortgaged to secure the obligations under consumer loans. The prohibition concerns the transfer of mortgaged property to a mortgagee, its sale to third parties (including by way of e-auctioning) and forced eviction from residential property. The prohibition is not applicable to the mortgage agreements executed or restructured after Law No. 2120-IX became effective.
In case of urgency, are entities and individuals allowed to use their funds on the arrested bank accounts?	Yes, but subject to certain limitations. Individuals may carry out debit transactions from their arrested accounts in an amount not exceeding two minimum wages per month. Payments of taxes and duties is also permitted. At the same time, debtors who are legal entities and self-employed persons are allowed to use arrested accounts to pay taxes and make other mandatory payments (such as duties), as well as to pay salary to their employees in an amount not exceeding five minimum wages per employee.

Financial Arrangements and Financial Sector

Foreign Exchange Restrictions and Anti-money Laundering

Are UAH cashless payments within Ukraine subject to any limitations or restrictions?	Generally, cashless transactions in UAH made within Ukraine may be carried out without limitations. The only exception, which concerned P2P card transfers within a monthly limit of UAH 150,000 has been lifted by the NBU starting from 1 April 2025.
Have any new currency and capital restrictions been introduced during martial law?	Yes. Since 24 February 2022, the NBU has introduced significant currency and capital control restrictions in Ukraine. The measures imposed by the NBU include the following: ■ Starting from 3 October 2023, the fixed UAH/USD official exchange rate has been terminated and the floating UAH/USD exchange rate has been reintroduced. ■ Within Ukraine, UAH cash withdrawals are limited to UAH 200,000 per day per client, with individual's non-business accounts limited to UAH 100,000 per day; FX cash withdrawals within and outside Ukraine are limited to the equivalent of UAH 200,000 per day per client (with few exceptions). ■ UAH cash withdrawals outside Ukraine using personal payment card are limited to UAH 12,500 per seven calendar days for all UAH accounts of a customer in one bank, and to UAH 140,000 per seven calendar days for the UAH cash withdrawals outside Ukraine using corporate (business) payment cards. ■ Cashless transactions outside Ukraine using personal payment cards issued by Ukrainian banks are limited to an equivalent of UAH 200,000 per calendar month (this limit now also covers rent of housing abroad and may be settled either by card or by account-to-account/SWIFT transfer with prior purchase of FX by the bank), while cashless transactions using corporate (business) payment cards are allowed in the amount up to an equivalent of UAH 400,000 per calendar month for all UAH accounts in one bank. ■ Maximum period for settlements under export and import contracts is 180 days (with some exceptions). However, under transactions for the export of certain agricultural products the maximum settlement period is 120 days.

Financial Arrangements and Financial Sector

Foreign Exchange Restrictions and Anti-money Laundering

Have any new currency and capital restrictions been introduced during martial law?

- For cross-border transactions where purchase of foreign currency is permitted, Ukrainian companies will be required to first use the foreign currency available on their foreign currency accounts and only then purchase the remaining amount of foreign currency for UAH. Effective from 1 May 2026, this requirement does not apply to defense enterprises when purchasing foreign currency using state budget funds or funds from foreign states intended for defense contracts
- Restrictions on offsetting export-import transactions
- Prohibition on making debit transactions of residents of the Russian Federation and Belarus and Ukrainian entities whose ultimate beneficial owners are residents of the Russian Federation and Belarus (with some exceptions)

Cross-border payments from Ukraine abroad are also restricted and may be carried out only in certain cases, which include, among others:

- Ukrainian banks' own transactions (including payments under loans from non-resident creditors)
- interest payments by Ukrainian corporate borrowers to non-resident creditors under pre-war cross-border loan agreements (subject to certain limitations)
- payments of Ukrainian residents under transactions guaranteed by state guarantees
- payments of international financial institutions (IFIs) and payments of residents and non-residents to IFIs
- payments made based on separate permits of the NBU issued at the request of the Cabinet of Ministers of Ukraine
- foreign currency payments made by individuals for import of some military categories of goods
- payments from Ukraine abroad to repay and service certain cross-border loans from foreign lenders

Additionally, Ukrainian companies in some cases and subject to certain conditions may be allowed to transfer foreign currency abroad up to the total amount they have donated (i) since 7 August 2025 to the special NBU account designated to support the Armed Forces of Ukraine or (ii) since 10 August 2026 directly to the Armed

Financial Arrangements and Financial Sector

Foreign Exchange Restrictions and Anti-money Laundering

Have any new currency and capital restrictions been introduced during martial law?

Since introduction of the martial law currency restrictions, corporate clients of Ukrainian banks were generally restricted from buying foreign currency for UAH (save for buying foreign currency in exceptional cases). However, in its May 2024 update of the currency regulations, the NBU has implemented measures to liberalize cross-border payments from Ukraine, which resulted in abolishment of the rule under which Ukrainian businesses were allowed to pay abroad only for those services, works and intellectual property rights that were listed in the government's list of eligible services (per CMU Resolution No. 153 of 24 February 2022).

Further, the following cross-border transactions are now also allowed effective from 4 May 2024:

- Payments for any services, works and IP rights (provided they were rendered after 23 February 2021)
- Repatriation of dividends (subject to certain limitations relating to amounts and timeframes)
- Interest payments by Ukrainian corporate borrowers to non-resident creditors under "old" cross-border loan received (partially or in full) prior to 20 June 2023 (subject to compliance with certain requirements)
- Payments (interest and principal amount) under "new" cross-border loans attracted by Ukrainian borrowers from foreign creditors after 20 June 2023 (subject to compliance with certain requirements)
- Payments by certain Ukrainian representative offices to their foreign HQs
- Payments of Ukrainian residents under leasing/rental contracts
- Payments of remuneration (accrued from 1 May 2026) to foreign accounts of non-resident highly qualified specialists and board members.

The established limits could be exceeded provided that they meet specific requirements thereto.

Financial Arrangements and Financial Sector

Foreign Exchange Restrictions and Anti-money Laundering

Can a company purchase foreign currency and transfer it abroad to repay or service its cross-border loan?

Ukrainian corporate borrowers can repay and service their cross-border loans subject to certain limitations.

In particular, Ukrainian borrowers are permitted to make only interest payments under their "old" cross-border loans, i.e., those received before 20 June 2023. Among the limitations set out by the NBU are the requirements that (1) interest payment must fall due during the period starting from 24 February 2022, (2) the borrower should not be in default as of 24 February 2022, and (3) amount of interest payment must not exceed the equivalent of EUR 1 million per calendar quarter (not applicable if the interest payments fall due after 30 April 2024). Repayment of principal amount under the "old" cross-border loans remains prohibited, unless it is for the amount of a new loan obtained by the borrower after 1 January 2026 (subject to certain requirements).

Ukrainian borrowers are also permitted to repay and service their newly borrowed cross-border loans, if the following conditions are met:

- The loan's principal amount must be deposited into the borrower's Ukrainian bank account after 20 June 2023.
- The rate of the borrowing costs (i.e., all payments under the loan except the principal repayment such as interest, fees and other payments) should not exceed 12% per annum.
- Loans with a maturity of up to one year can be repaid and serviced using only the borrower's own foreign currency funds that were not purchased on the Ukrainian currency market for the local currency (UAH) or were not attracted as a loan from a Ukrainian creditor.

Payments related to the loans mentioned above must not be made prior to the payment date stipulated in the relevant loan agreement. Amendments that shorten the payment terms of the loan agreements are currently prohibited, except for specific cases of set-off involving capital increases by non-resident lenders.

Financial Arrangements and Financial Sector

Foreign Exchange Restrictions and Anti-money Laundering

Is repatriation of dividends or other investment proceeds currently allowed?	Prior to the latest relaxation of the currency restrictions, the repatriation of dividends or other investment proceeds were allowed only in several cases: (1) if payment is to be made to an IFI; or (2) if a company obtains a special NBU permit to make payment, or (3) in case of the transfer of investment proceeds to foreign investors which were received after 1 April 2023 as interest payments under domestic sovereign bonds. With effect from 13 May 2024, cross-border payments aiming to repatriate dividends are now being listed among the exceptions allowing to purchase and transfer foreign currency abroad. Further liberalization occurred in August 2025, when the NBU extended the permission to include dividends for FY 2023, while maintaining the EUR 1 million monthly cap. Most recently, the NBU has introduced a more flexible framework allowing companies to bypass standard restrictions: • Ukrainian companies can make foreign currency transfers (including dividend payments) up to the total amount of foreign currency investments made by foreign investors from 12 May 2025 onwards; • Companies may repatriate dividends exceeding the standard EUR 1 million monthly cap, provided that the excess amount is paid within the limit of “new” cross-border loans attracted after 1 January 2026.
How has martial law affected anti-money laundering (AML) rules in Ukraine?	The financial monitoring regulations and applicable AML rules have been simplified for transactions related to purchasing military bonds of the Ministry of Finance of Ukraine and supporting the Armed Forces of Ukraine or donating for humanitarian aid via bank accounts of the Armed Forces of Ukraine and the special accounts of the NBU. As a result, private customers of Ukrainian banks (both citizens of Ukraine and foreign citizens) depositing cash into their bank accounts for amounts exceeding the equivalent of UAH 400,000 have been exempt from the obligation to provide their banks with supporting documents evidencing the source of funds, if such funds are used exclusively for the above-mentioned purposes. The use of such unverified funds for any other purposes will be prohibited until the bank is provided with all necessary supporting documents.

Financial Arrangements and Financial Sector

Regulation of Banking Activity

Will banks be liable for violating mandatory financial ratios or limits during martial law?	The NBU has restored standard supervisory measures against Ukrainian banks that violated capital, liquidity, credit risk or investment ratios, or the net foreign exchange position limit. The temporary exemptions from supervisory measures for violations that took place on or after 24 February 2022 and were caused by the negative impact of Russia's military aggression against Ukraine were cancelled effective 3 July 2025.
Can banks distribute dividends during martial law?	No, the NBU prohibits Ukrainian banks from paying dividends to shareholders with the exception of dividend distribution under preferred shares. Capital distribution in any form is also prohibited other than for applying profits toward increasing share capital, provisioning or covering for losses of previous years.
Are there any new restrictions or limitations for transactions of banks with their related parties?	Yes. Banks are prohibited from entering into new loan agreements or other financial commitments with their related parties. In addition, the NBU prohibits banks from amending existing agreements with their related parties that provide for the increase of the amount of loan or other commitment or extend loan tenor. Early withdrawal of related parties' deposits is also restricted.
Can banks use cloud services when servicing customers during martial law?	Yes. For the duration of martial law and for two years after its termination or lifting, Ukrainian banks may provide banking services and process transactions via electronic payment instruments, in particular, payment cards, using cloud services that are provided through the use of equipment located in the EU, the UK, the US and Canada. When processing banking transactions and the personal data of customers using cloud services, banks may use both domestic cryptographic information protection tools and foreign tools that meet the legal requirements of the state where the equipment for providing cloud services is located.

Financial Arrangements and Financial Sector

Regulation of Banking Activity

Despite the war, have any changes to the Ukrainian payment infrastructure been implemented?

Starting from 1 April 2023, a new generation of the NBU-operated national electronic payment system has been launched. The new system, called SEP 4.0, is based on the international standard ISO 20022 and operates 24/7/365. Given that currently SEP 4.0 serves more than 99% of interbank payments in the country, it is recognized as a systemically important payment system of Ukraine.

On 1 December 2024, the National Bank transitioned to the new version of SEP-4.1, which implements the functionality of instant credit transfers via SEP.

Financial Arrangements and Financial Sector

Regulation of Non-banking Financial Institutions

Will non-banking financial institutions (NBFIs) be liable for violating mandatory financial ratios or other mandatory requirements during martial law?	The NBU committed not to take any actions against NBFIs for violating equity capital availability requirements, deadlines for submission of reporting and financial statements, and obligations for paperwork filing and provision of information to the NBU. However, certain conditions should be met depending on the type of violation.
Does the NBU impose any regulatory restrictions on the functioning of NBFIs during martial law?	Generally, a number of sectoral limitations have been introduced, including the following restrictions: ■ Paying bonuses and other additional material rewards to the management of insurers, credit unions and other NBFIs ■ Paying dividends to shareholders/participants of insurers, with the exception of dividend distribution under preferred shares ■ Changing collateral under facility agreements for credit unions ■ Conducting operations with related parties of credit unions and other NBFIs
What managers restrictions have been introduced in respect of NBFIs?	Citizens of the Russian Federation are prohibited from holding the following position in banks, NFBIs, other financial service providers, payment system operators and insurance (reinsurance) brokers: ■ Head and deputy head ■ Chairman and member of the supervisory body ■ Responsible employee (an individual who temporarily acts as responsible employee in his absence) ■ Another employee involved in the initial financial monitoring.

Financial Arrangements and Financial Sector

Capital Markets

What capital market restrictions have been introduced?	The National Securities and Stock Market Commission prohibited professional capital market participants (such as Ukrainian securities traders (investment firms), clearing institutions, securities custodians etc.) from establishing business relations and/or carrying out any transactions with, or for the benefit of, and/or making any distributions to, among others, persons related to the Russian Federation and the Republic of Belarus such as: ■ Citizens of the Russian Federation or the Republic of Belarus other than those who live in Ukraine on legitimate grounds ■ Legal entities registered under the laws of the Russian Federation or the Republic of Belarus ■ Legal entities at least 10% of shares of which are directly or indirectly owned by Russian or Belarusian individuals or entities (with some exceptions) ■ Legal entities directly or indirectly owned by the Russian Federation or the Republic of Belarus ■ Persons included in the list of persons connected with the conduct of terrorist activities or in respect of whom international sanctions have been applied ■ Persons sanctioned under Ukrainian laws. In addition, it is prohibited to carry out any transactions with accounts of the aforementioned individuals and entities in the Depository System at the instruction of such individuals and entities.

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05 Tax and Customs

Tax and Customs

Which tax reliefs are available in Ukraine?	Since 24 February 2022, the Ukrainian Parliament has introduced a range of corporate income tax (CIT), value-added tax (VAT), personal income tax (PIT), single tax and other tax/customs-related reliefs aimed at ensuring the support of taxpayers during wartime. However, the majority of such measures has been abolished. For instance, the application of the reduced 2% Unified Tax rate was abolished with effect from 1 August 2023.
Are there any CIT reliefs?	For CIT purposes, funds (value of goods) transferred to selected organizations (e.g., designated bank account opened by the National Bank of Ukraine) would not be subject to the tax adjustment calling for the increase of financial results by an amount exceeding 4% of the profits of the previous reporting year.
Are there any reliefs available for private entrepreneurs?	From 1 March 2022 until 31 December 2024, the private entrepreneurs have the right to not pay the Unified Social Contribution for themselves.
What changes did Law No. 3219-IX introduce?	The law was aimed at cancellation of tax benefits introduced after 24 February 2022. Starting from 1 August 2023, it introduces: ■ renewal of scheduled and unscheduled tax audits of taxpayers operating in the areas of production and/or sale of excisable goods, gambling business, financial and payment services; ■ restoration of all deadlines specified by the tax legislation that was previously suspended until the termination of martial law in Ukraine (including the deadline for responding to requests from regulatory authorities);

Tax and Customs

What changes did Law No. 3219-IX introduce?	■ suspension of the statute of limitations for scheduled and unscheduled audits that remain under the moratorium after 1 August 2023, and the storage periods for documents and information related to the accrual and payment of taxes and fees are extended for the period of suspension of such a statute of limitations. ■ exemption from the accrual and payment of the penalties for self-correction of the errors that led to the understatement of the tax liability in the period from 1 August 2023 until the termination of martial law.
What are the VAT reliefs?	The VAT-related changes pertain to the operation of the VAT electronic system and certain VAT exemptions, particularly: ■ The taxpayers were allowed not to register the VAT invoices. Input VAT may be recognized in the absence of such invoices based on the available primary supporting documents. The taxpayers will be obliged to register VAT invoices within six months following the cancellation or termination of martial law in Ukraine. Starting from 27 May 2022, the Law No. 2260-IX has changed the VAT invoices registration procedure. Please see section "Filing tax returns and tax payments" for more details. ■ The list of VAT-exempt operations is extended to include the import and supply of: (i) special personal protective equipment designated for law enforcement agencies, armed forces and other military formations, including territorial defense units; (ii) certain pharmaceutical and medical devices; and (iii) defense goods supplied under the applicable procurement procedure. Until 30 June 2022, no VAT was due on the supply or import of goods by single tax payers, including those opting for the special single tax regime. Starting from 1 July 2022, the VAT import exemption has been abolished. Please see section "Are there any import relaxation measures adopted during martial law?" for more details.

Tax and Customs

What are the tax reliefs available with respect to rent and land tax?	From 1 March 2022 until 31 December 2022, land tax and/or rent (for state and municipal land) were not levied on land plots or shares located in the territories of active hostilities or the territories of Ukraine temporarily occupied by the Russian Federation. Starting from 1 January 2023, land tax and/or rent exemption covers the territory in which such land is located, if it is included in the list adopted by the Ministry of Reintegration of the Temporarily Occupied Territories of Ukraine. The land tax and/or rent is not accrued and paid for the period from the first day of the beginning of active hostilities or temporary occupation to the last day of the month in which active hostilities or temporary occupation in the relevant territory ended.
How does the Diia City regime apply?	The Diia City virtual economic zone (VEZ) is up and running, with over 900 taxpayers having already joined the VEZ. Martial law did not affect the tax benefits offered by the VEZ, thus, allowing the Diia City residents to fully enjoy its status, including the option of a 9% distributed profit tax (instead of 18% CIT). On 13 February 2024, the Cabinet of Ministers of Ukraine allowed Diia City residents who acquired such status before 17 February 2024 not to submit an initial compliance report and/or independent opinion.
Are any other tax-related changes expected?	As of 16 October 2023, a draft bill proposing to broaden grounds for initiation of tax audits has been registered in Parliament. Effective 8 December 2023, the moratorium on tax audits was lifted. Moreover, effective 8 December 2023, Law No. 3474-IX changed the CIT rate for banks. Therefore, the Law establishes an increased tax rate of 50% on the profits of the 2023 year, and starting from the reporting periods of 2024 and subsequent years, a basic rate of 25% is provided. Effective 1 December 2024, Military Tax rate was increased to 5%.

Tax and Customs

Filing tax returns and tax payments	Initially, the statutory deadlines for filing tax returns and tax payments were suspended for the duration of martial law for all taxpayers. The taxpayers were obliged to perform their tax obligations within six months after the expiration of the martial law regime. Starting from 27 May 2022, the said rule applies to taxpayers that are 'unable to perform their tax obligations' only. Law No. 2260-IX has established new rules for tax reporting and payments. The tax reporting and payment obligations now depend on whether the taxpayer 'has an ability to perform its tax obligations'. The taxpayers which are able to submit tax reports/ pay taxes will not be fined for the late submissions/ payments as long as: ■ for VAT purposes: the VAT invoices/ adjustments are registered until 15 July 2022, ■ for other taxes: the tax reports are submitted until 20 July 2022, and ■ the taxes are paid until 31 July 2022. The taxpayers who were able to restore their ability to submit tax reports/ pay taxes will have 60 calendar days to fulfil their tax obligations starting from the month of such restoration. Effective 1 August 2023, the Parliament has resumed the previously suspended tax-related deadlines.

Tax and Customs

Tax audits and penalties

Starting from 27 May 2022, Law No. 2260-IX has introduced new rules on tax audits and penalties during the martial law.

- Law No. 2260-IX introduced a number of exceptions to the freeze on new tax audits and suspension of those that are ongoing. The moratorium does not apply to chamber audits, certain documentary unscheduled and instant (factual) audits. The suspended audits may be renewed and the new ones may be started. For chamber tax audits, the new rules will apply from 2 June 2022.
- Law No. 2260-IX has also changed the rules on the suspension of tax-related deadlines and statutory terms. The suspension does not apply with respect to the (i) VAT invoices/ adjustments registration, submission of tax returns, (ii) statutory terms for conducting chamber audits and relevant administrative appeal procedure, calculation of late payment interest, as well as (iii) statutory terms for conducting instant (factual) and documentary unscheduled tax audits and relevant administrative appeal procedure.

Law No. 2173-IX introduces special rules on primary supporting documents storage for taxpayers that have lost or that were unable to transport such documents due to the military actions or other administrative obstacles. The affected taxpayers will be allowed to submit a list of missing documents to the tax authorities and recognize their transactions for tax purposes without the underlying supporting documentation.

On 6 September 2022, Order No. 225 dated 29.07.2022 on the procedure for confirming the possibility to fulfil taxpayer's duties during the martial law became effective. The taxpayers that are not able to submit tax returns and perform other tax-related obligations shall file relevant application until 30 September 2022.

Effective 1 August 2023, the Parliament has partially lifted the moratorium on tax audits.

Tax and Customs

Tax audits and penalties	A COVID-related suspension of statute of limitations, which was in effect from 18 March 2020, was abolished after 30 June 2023. Accordingly, the period from 18 March 2020 through 30 June 2023, would not be included in the computation of the three-year statute of limitations. Effective 8 December 2023, Law No. 3453-IX amended grounds for including - from 1 December 2023 to 31 December 2024 – the taxpayers into the list of scheduled documentary tax audits: ■ taxpayers, who carry out or have carried out activities in the field of production and/or sale of excisable goods; ■ taxpayers, who carry out or have carried out activities in the field of gambling business; ■ taxpayers, that provide or have provided financial and payment services; ■ residents of another country who currently carry out or have carried out activities in Ukraine through branches, including permanent establishments; ■ taxpayers who, based on the indicators measured at the end of the 2021 calendar year, meet at least one of the risk-oriented criteria, established by Law No. 3453-IX.

Tax and Customs

Are there any import relaxation measures adopted during martial law?	In March 2022, Ukraine introduced a number of import relaxations to ensure efficient operation of customs formalities. The key relaxations were established in Law No. 2142-IX and applied until 30 June 2022. Starting from 1 July 2022, the following relaxations have ceased to apply: ■ No import duty for goods imported by legal entities for free circulation (except for certain excise goods, e.g., ethyl alcohol and other alcohols distillates, alcoholic beverages, tobacco products) ■ No VAT, import duty and excise tax on cars and other vehicles imported by individuals ■ No VAT on goods imported by taxpayers under single tax groups I to III. The earlier introduced simplified customs formalities procedure also ceased to apply. At the same time, VAT exemption continues to apply to import of the listed goods, including: ■ Special personal protective equipment (helmets, tactical vests, etc.) supplied for the purposes of law enforcement agencies, armed forces and other military formations, including territorial defense units ■ Listed goods imported for the purposes of the use by law enforcement agencies, armed forces, Ministry of Defence and other military formations.
Customs audits	Effective 1 May 2024, the suspension of the documentary customs audits was lifted.

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06 Real Estate

Real Estate

If the tenant cannot use its leased premises due to Russia's military aggression against Ukraine, does it have to continue paying rent?	A tenant may not have to continue to pay, but this depends on the terms of the lease and the discussions with the landlord. Some leases may contain a rent suspension clause, entitling the tenant to cease the payment of rent if the premises are damaged, destroyed or inaccessible due to various reasons. Statutory remedies are also available. Under Article 762 (6) of the Civil Code of Ukraine, a tenant is relieved of its obligation to pay rent for the period during which the tenant could not use the leased property, where this is due to circumstances for which the tenant is not responsible. A tenant is also allowed to request a rent reduction if the leased property cannot be used in full due to circumstances for which the tenant is not responsible.
If the tenant cannot use its leased premises due to Russia's military aggression against Ukraine, does it have to continue paying utilities and operational expenses?	Statutory provisions do not address these types of payments. As such, tenants may have to continue to pay for the utilities and operational expenses, unless otherwise agreed with the landlord.
Can lease amendments or lease termination agreements be executed during martial law?	Under Ukrainian law, all leases signed for a term equaling or exceeding three years are subject to notarial certification. The registration of the relevant lease right in the Ukrainian Property Rights Register ("Register") is also required. The operation of the Register and the certification of lease amendment / termination agreements have been resumed. Previously, only the notaries included into the list approved by the Ministry of Justice of Ukraine ("List") were allowed to certify certain real estate related agreements (including amendments to leases signed for a term equaling or exceeding three years). This limitation was lifted starting from 1 January 2024.

Real Estate

Are any specific reliefs or allowances available in respect of the state or municipal leases during martial law?

Effective as of 13 April 2022, Law of Ukraine No. 2181-IX "On amendments to the Law of Ukraine on the lease of state and municipal property" authorized the Cabinet of Ministers of Ukraine (CMU) to determine wartime-specific rules of the lease of state and municipal property regarding rent discounts, lease term, automatic lease term extensions, etc. Relevant CMU's Resolution No. 634 ("Resolution 634") effective as of 1 June 2022 provides for certain reliefs for tenants of state and municipal property.

Resolution 634 relieves from rent payment the tenants called up or accepted for military services (for duration of such service and three months after release from service) or who lease the property located in the territory with active hostilities or temporarily occupied territory included in the list approved by the Ministry of Reintegration of the Temporarily Occupied Territories of Ukraine (until three months after the end of active hostilities or temporary occupation).

Other reliefs described below are only available to tenants that are parties to (i) leases that have already been effective as of 24 February 2022, or (ii) leases that have been executed after 24 February 2022 as a result of auctions that were held on 24 February 2022 or earlier.

A. The following tenants are released from rent for the period of martial law, but not longer than until 30 September 2022:

- tenants leasing property located in Kyiv and Kyiv, Chernihiv, Sumy, Kharkiv, Zaporizhzhia, Mykolaiv regions (save for the aforementioned areas where access to the state registers administered by the Ministry of Justice of Ukraine was terminated);
- tenants leasing property located in cultural and educational institutions on an hourly basis.

Starting from 30 September 2022 and until three months after the end of martial law, such tenants will only be required to pay 50% of contractual rent amount.

Real Estate

Are any specific reliefs or allowances available in respect of the state or municipal leases during martial law?

B. The following tenants, who are parties to agreements on lease of state property, are released from rent starting from 24 February 2022 and until merchant shipping is fully resumed or until CMU's resolution on achievement of certain level of safety in each of the seaports:

- Tenants who are port operators in Odesa, Chornomorsk, Pivdennyi, Mykolaiv, Olvia, and Bilhorod-Dnistrovskyi seaports.

Note that such rent relief is individually granted by the landlord to such tenant based on tenant's application and does not apply automatically by virtue of statutory provision.

C. The following tenants, who are parties to agreements on lease of state property, are released from rent starting from 24 February 2022 and until aviation activities are resumed in respective airport:

- Tenants who lease property in state-owned airports.

D. The following tenants are released from rent for the period of martial law, but not longer than until 30 May 2022:

- Tenants leasing state or municipal property located in Kirovohrad, Dnipro, Zhytomyr, and Odesa regions.

Starting from 30 May 2022 and until three months after the martial law ends, such tenants will only be required to pay 50% of contractual rent amount.

E. The following tenants (save for those mentioned above) are granted rent reduction for the period of martial law and during three months after the martial law ends:

- tenants leasing integral property complexes (its structural branches) will be required to pay 75% of contractual rent amount;
- al other tenants that were not mentioned above will be required to pay 50% of contractual rent amount.

The abovementioned reliefs are also applicable to rent payments made for the period from 24 February 2022 until 1 June 2022. Such rent payments, if made in excess of the amounts calculated taken the above reliefs into account, are to be set-off by the landlords against future rent payments.

Real Estate

What if a term of a farmland lease expires during martial law?	Law of Ukraine No. 2145-IX “On amendments to certain legislative acts of Ukraine regarding the establishment of conditions for ensuring food security under martial law” (effective from 7 April 2022) (“Farmland Law”) allowed automatic extension for a one-year period of those farmland lease (sublease, emphyteusis) agreements that expire during martial law. Such automatic extension applied to the use of (i) state or municipal farmland, (ii) privately owned farmland, (iii) unclaimed or unallocated farmland, which was intended to be privatized, and (iv) farmland in collective ownership (i.e., former post-soviet collective enterprises), which were managed and leased out by local authorities. Neither expression of will for such automatic extension, nor the introduction of changes to the Register were required. However, Law No. 2698-IX “On the introduction of amendments to some legislative acts of Ukraine regarding the resuming of the system of registration of lease rights to agricultural land plots and improvement of the legislation on land protection” (effective from 19 November 2022) (“Law 2698”) imposed the obligation on all tenants to ensure the introduction of changes to the Register within two months following the entering of Law 2698 into effect, i.e., by 19 January 2023. Failure to ensure such registration within three months following the entering of Law 2698 into effect, i.e., by 19 February 2023, will result in the lease agreement being deemed terminated.
Will the lifting of martial law impact farmland leases entered into or extended under the Farmland Law?	No, lifting of martial law will not trigger termination of or any amendments to land use agreements entered into or extended under the Law. Such agreements will terminate upon the expiry of one year following their execution or extension, as applicable.

Real Estate

What about the transferability of farmland leases (subleases)?	Under the Farmland Law, lessees (sublessees) of farmland have the right to assign their lease (sublease) rights to any third party for a period of up to one year without the land owner's consent. Relevant assignment agreement will be made in e-form and signed by e-signature. The land owner will simply need to be notified of such assignment within 5 days following the registration of an assignment agreement in the Book of Land Ownership and Use.
Are there any reliefs in respect of transferring state or municipal land into lease during the martial law?	Yes. Farmland Law simplifies the procedure for transferring state and municipal farmland into the lease. In particular, during the martial law and provided that the State Land Cadaster does not operate: ■ farmland will be transferred into the lease by a relevant district military administration without land auction; ■ lease agreement will be executed in e-form and signed by e-signature; ■ lease right will not need to be recorded in the Register; ■ district military administration will need to record the lease agreement in the Book of Land Ownership and Use. ■ at the same time, some restrictions will apply to the new leases signed under the Farmland Law: ■ lease term cannot exceed one year and cannot be extended; ■ rent rate must not exceed 8% of the land's normative monetary value; ■ lessee will not have the right to (i) transfer such land into a further sublease or create an easement; (ii) extend the lease term or sign a new lease agreement using the lessee's statutory preemptive right, (iv) buy out such land using the lessee's statutory preemptive buyout right, (v) split such land or attach such land to another land plot; (vi) change such land's designated use, etc.

Real Estate

Are any simplifications available for the formation of new farmland plots?	Yes. No land allocation project will be required. Instead, a land plot will be formed based on the so-called "technical documentation on land management regarding land inventory". Such technical documentation will only require the approval of a relevant military district administration. No registration of a newly formed land plot in the State Land Cadaster will be performed. Note that starting from 19 November 2022 these simplifications apply only during the period when the operation of the Land Cadaster is suspended on the whole territory of Ukraine.
Can real estate alienation transactions be executed during martial law?	Yes. The Government's Resolution No. 469 dated 9 May 2023 lifted most of the restrictions previously introduced by Resolution 480, namely: ■ the buyers of real estate may now further alienate acquired real estate at any time after its acquisition (previously, the buyers were prohibited from alienating the acquired real estate earlier than within one month following the acquisition); ■ the individuals are now able to alienate real estate via proxy without the need to confirm the effectiveness of such proxy (previously, the individuals had to confirm the effectiveness of the proxy issued more than 1 month ago at least 7 days prior to a contemplated transaction). Moreover, previously, only the notaries included in the List were allowed to certify certain real estate transactions (such as sale and purchase, mortgage, long-term leases, etc.). This limitation was lifted starting from 1 January 2024 by the Government's Resolution No. 1309 dated 12 December 2023. In addition, a special rule is established regarding the state registration of property rights to real estate located on the territory of the AR of Crimea, Donetsk, Zaporizhzhia, Luhansk, Mykolayiv, Kharkiv, Kherson regions, the city of Sevastopol. Such registration may be carried out notwithstanding the actual location of real estate.

Real Estate

Can the state or municipal land plots be transferred into private ownership or use during martial law?	Yes. The transfer of state or municipal land plots into private ownership or use is currently possible. The land auction is not required if the state or communal land plots are transferred into lease for: ■ locating (a) production capacities of enterprises evacuated from the war zone; (b) river ports (terminals) on the Danube River or multimodal terminals and production and transshipment complexes; (c) sea ports; ■ erecting power supply, gas distribution, water, heat, sewage networks, electronic communication networks, main gas pipeline facilities
Have there been any changes to construction permit procedures with the introduction of martial law?	On 12 July 2022, CMU's resolution No. 722 ("Resolution 722") entered into force. Resolution 722 provides for renewal of the period for providing administrative services in the construction sector and facilitates certain permit procedures as described below. The period for providing administrative services in the construction sector set forth in the Law of Ukraine "On Regulation of Urban Development Activities", which was suspended by the CMU's resolution dated 28 February 2022 No. 165 "On the Suspension of the Period for Providing Administrative Services and Issuing Permitting Documents," has been renewed. For the duration of the martial law in Ukraine and within one year after it ends or is canceled: ■ Principle of tacit consent will be applied to (1) obtaining urban planning conditions and land development restrictions, (2) obtaining approvals of design documentation from cultural heritage protection authorities. ■ In the case of failure to provide urban planning conditions and land development restrictions within the period prescribed by law, the construction design will be carried out without obtaining urban planning conditions and restrictions, subject to compliance with local urban planning documents and land use restrictions as provided in the laws.

Real Estate

Have there been any changes to construction permit procedures with the introduction of martial law?

- Should the cultural heritage protection authority fail to approve the design documents within 30 days, they will be deemed approved by default. The customer must apply to the cultural heritage protection authority for design document approval using the electronic account in the Unified State Electronic System in the Construction Sector ("Electronic System").

- Permit procedures for certain construction works will be simplified. Construction of individual residential, garden and country houses up to two stories high (not including the attic floor) with an area of up to 500 square meters, as well as utility buildings and structures, garages and landscape design elements of the land plot can be carried out by the customer without obtaining a construction passport for the land plot development. In this case, the customer must indicate in the construction commencement notice the registration number of the land development intentions layout (must be uploaded to the Electronic System) to be prepared by an architect or a design engineer.

For the duration of the martial law in Ukraine and within three months after it ends or is canceled certain construction works are allowed to be postponed:

- Deadlines for certain facade decoration and landscaping works (except for those relating to transport passages and vehicle-to-pedestrian communications) may be postponed. In this case, the customer must indicate in the completion declaration or certificate the facade decoration and landscaping works that will be postponed and the deadline for their completion.

Real Estate

Are there any statutory provisions that allow for reimbursement of damage done to real estate due to military aggression of Russian Federation?

In brief, there are currently two initiatives aimed at establishment of legal framework for such reimbursement.

A. Collection of information on damage done to real estate

- According to CMU's resolution No. 326 dated 20 March 2022 "On Approval of Procedure of Assessment of Damage Done to Ukraine due to Military Aggression of Russian Federation", regional and Kyiv city state administrations will assess economical losses of companies suffered due to military aggression of Russian Federation, including, but not limited to, cost of damaged or destroyed real estate.
- In parallel, owners of real estate (including construction investors, their heirs) are allowed to submit informational notices on damage or destruction of their real estate via "Diia" web-portal, centers for provision of administrative services, and notaries.
- According to CMU's regulations, for the purposes of assessment of damage real estate is considered damaged or destroyed if such damage or destruction is verified according to CMU's resolution No. 473 dated 19 April 2022 "On Approval of Procedure for Carrying Out of Emergency Works on Liquidation of Consequences of Military Aggression of Russian Federation, Related to Damage of Buildings and Structures". Therefore, owners of damaged or destroyed real estate may want to consider verifying damage or destruction as provided in CMU's resolution No. 473.
- Information on damage or destruction of real estate is recorded in Register of Damaged and Destroyed Property.

Real Estate

Are there any statutory provisions that allow for reimbursement of damage done to real estate due to military aggression of Russian Federation?

B. Reimbursement of damage done to residential real estate

The Law of Ukraine No. 2923-IX "On Reimbursement of Damage to or Loss of Certain Categories of Real Estate Objects Due to Military Actions, Acts of Terrorism, Sabotage Caused by Military Aggression of Russian Federation Against Ukraine, and State Register of Property Damaged or Destroyed Due to Military Actions, Acts of Terrorism, Sabotage Caused by Military Aggression of Russian Federation Against Ukraine" ("Law on Reimbursement") became effective on 22 May 2023. Law on Reimbursement governs reimbursement of damage done to residential real estate that is owned or prepaid by Ukrainian citizens (including, but not limited to, Ukrainian citizens who made investments into real estate or, following 10 October 2022, acquired special property right to future real estate) and associations of co-owners of multi-apartment buildings.

Key take-aways of the Law on Reimbursement are:

- creation of the State Register of Property Damaged and Destroyed due to Military Actions, Acts of Terror, Sabotage due to Military Aggression of Russian Federation;
- compensation will be made as per decisions of relevant compensation commissions, which will be created by executive bodies of local councils or military (military-civilian) administrations of settlements;
- the following forms of reimbursement of damage may be granted: (i) carrying out works on restoration of damaged real estate and/or provision of construction materials for such works (for damaged real estate only); (ii) provision of funds for the construction of a manor-type house, country house (for destroyed real estate only); (iii) financing of the purchase of existing (or to be built in the future) apartment, a manor-type house, a country house with the use of a housing certificate;
- reimbursement application can be submitted during martial law period and within one year after termination of martial law on a territory where damaged or destroyed real estate was located.

Real Estate

Are there any statutory provisions related to martial law that may affect the title to real estate in Ukraine?	During martial law, privately owned real estate may be potentially expropriated according to the decision of the military command, subject to further compensation for the value of the expropriated real estate, as determined by an appraiser in accordance with the applicable Ukrainian laws. The owner may claim the return of expropriated real estate instead of compensation in court after martial law is lifted. Please note that we are not yet aware of any cases of real estate expropriation during martial law in Ukraine. On a separate note, the Law of Ukraine "On the Basic Principles of Forced Expropriation in Ukraine of Property of the Russian Federation and Its Residents" came into force on 7 March 2022. It is aimed at enabling Ukrainian authorities to expropriate the property (including real estate) owned by the Russian Federation and its residents for reasons of public necessity, without any compensation paid for such expropriated property.
Are statutory reliefs envisaged with respect to land rent payment?	Yes, please refer to this Section on Tax and Customs Regime for more detail.

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07 Work of State Courts and Arbitration Tribunals

Work of State Courts and Arbitration Tribunals

To what extent does martial law affect Ukrainian jurisdiction?

Martial law affects Ukrainian jurisdiction in the following ways:

1. **Changes to the legislation regarding territorial jurisdiction**

   On 7 March 2022, the changes to the Law of Ukraine "On the Judiciary and the Status of Judges" became effective. These provide that if a court is unable to administer justice due to objective reasons during the state of martial law or emergency (natural disasters, hostilities, measures to combat terrorism or other emergencies), the territorial jurisdiction of the courts may be changed. The respective decision should be made by the High Council of Justice at the request of the chair of the Supreme Court or, if the High Council of Justice is unable to exercise its powers, by the order of the chair of the Supreme Court. The respective decision will also be considered as a ground for transferring all the cases considered by the court whose territorial jurisdiction is changed.

   Since 24 February 2022, the day the full-scale invasion of Ukraine was launched, the Supreme Court / High Council of Justice has rendered 44 orders changing the territorial jurisdiction of the courts under the state of martial law. The full list of the courts whose territorial jurisdiction has been changed because they are unable to administer justice during the state of martial law can be found here.

   When the court becomes able to administer justice, its territorial jurisdiction renews by order of the Supreme Court / High Council of Justice. The full list of the courts whose territorial jurisdiction has been renewed can be found here.

2. **Functioning of the courts**

   On 2 March 2022, the Council of Judges of Ukraine published recommendations regarding the functioning of the courts during the state of martial law ("Recommendations," which may be accessed by following the link). The key points of the Recommendations are as follows:

Work of State Courts and Arbitration Tribunals

To what extent does martial law affect Ukrainian jurisdiction?	■ The courts should determine the specifics of their functioning during the state of martial law, given the current situation in a particular region of Ukraine. A meeting of judges will make the relevant decision on the mode of operation of a particular court. If it is impossible to convene and hold such a meeting, the relevant decision will be made by the head of the court or by a person who temporarily performs the duties of the head of the court. ■ If possible, courts are recommended to postpone the court hearings (except for urgent court proceedings) and not to consider such cases, given that many of the case participants will not always have the possibility to submit an application on postponement of the court hearing. ■ Courts are strongly advised to only focus on urgent court proceedings (e.g., matters related to criminal proceedings such as detention, extending the term of detention, etc.). Cases that are not urgent should be considered only based on the written consent of all participants to the respective court proceedings. Courts are recommended to bring to the attention of the parties that they have the right to postpone court hearings in view of hostilities and the right to participate in court hearings via videoconference. Courts are required to restrict access to court hearings of persons who are not participants to the relevant court cases. ■ Courts should carefully consider matters related to the return of various procedural documents, leaving them without movement, establishing different procedural deadlines — if it is possible to extend such deadlines at least until the end of martial law. ■ The courts' management should stop the personal reception of citizens. In light of the above Recommendations, during March-April 2022, courts exercising justice on the territories where no active hostilities took place were, in most cases, only considering urgent court proceedings. Since May 2022, most of the courts have renewed consideration of not urgent categories of proceedings. According to the recent court practice, the Recommendations are treated as advisory in nature and may be taken into account only in conjunction with other circumstances (in particular, while considering the issue of extension of a procedural term).

Work of State Courts and Arbitration Tribunals

To what extent does martial law affect arbitration proceedings?

Arbitration proceedings are also affected by martial law.

The International Commercial Arbitration Court (ICAC) at the Ukrainian Chamber of Commerce and Industry, following the notification on the temporarily suspension of its operations, has announced that it has resumed accepting claims and other procedural documents relating to the competences of the arbitration institutions.

In addition, the ICAC has published the following information regarding the functioning of the ICAC and the Ukrainian Maritime Arbitration Commission (UMAC) during the state of martial law (the original text may be accessed by following the link):

- All incoming documents and other materials should be submitted in electronic form. The basic procedural documents (e.g., statement of claim, statement of defense, etc.) should also be delivered in hard copy, unless the parties agree otherwise.
- The payment of registration and arbitration fees should be made without invoicing, using the banking details available on the websites of the ICAC and the UMAC.
- The ICAC and UMAC arbitrators are requested to organize communication with the representatives of the parties and to take other measures to proceed with and complete the consideration of cases promptly.
- Until the end of the military aggression against Ukraine, oral hearings would be conducted via videoconference.
- The duration of the state of martial law would not be taken into account when defining the time limits of the arbitral proceedings.

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08 Bankruptcy Proceedings

Bankruptcy Proceedings

To what extent does martial law affect bankruptcy proceedings?

The changes to the Bankruptcy Code of Ukraine provide for the following peculiarities of the bankruptcy proceedings during the state of martial law:

Temporarily, during martial law and within six months following its termination or cancellation:

- The creditors' meeting and the creditors' committee can be held via videoconference, as well as by survey;
- The bankruptcy manager shall be released from disciplinary liability for failure to take actions and fulfill obligations provided by the Bankruptcy Code if such failure was caused by hostilities at the location of the debtor, creditor, debtor's property, bankruptcy manager;
- Accrual of interest and penalties on the debtor's obligations restructured by the solvency renewal plan shall be suspended;
- Overdue obligations provided for by the solvency renewal plan shall be deferred for the term of such plan;
- Damage and/or losses caused to the debtor due to the armed aggression against Ukraine are subject to a mandatory appraisal according to the procedure established by the Cabinet of Ministers of Ukraine;
- The commercial court under the motion of the creditors' committee, creditor, bankruptcy manager, or on its own initiative may extend a number of procedural terms in the bankruptcy proceedings (in particular, the term of holding a preliminary court hearing, the moratorium on satisfaction of creditors' claims, etc.);
- The commercial court shall refuse to commence the bankruptcy proceedings under the creditor's application if the debtor before the preliminary court hearing will prove that: (1) the debtor is entered in the electronic register of participants and executors of the state contracts and has a valid contract with state customers in the defense field; or (2) the creditor's (creditors') demands were not satisfied due to the armed aggression against Ukraine, including due to the presence of the debtor's unified assets on the territories where hostilities are (were) taking place or on the temporarily occupied territories;

Bankruptcy Proceedings

To what extent does martial law affect bankruptcy proceedings?

- The debtor's management bodies shall be released from joint and several liability for the failure to comply with the obligation to initiate the bankruptcy proceedings under the conditions outlined in the Bankruptcy Code if the debtor failed to file an application for commencement of the bankruptcy proceedings due to the armed aggression against Ukraine, including due to the presence of the debtor's unified assets on the territories where hostilities are (were) taking place or on the temporarily occupied territories.

Temporarily, during martial law and within two years after its termination or cancellation:

- It shall be prohibited to commence the bankruptcy proceedings against legal entities that conjunctively meet the following criteria: (1) the legal entity is a critical infrastructure operator; (2) the shares of such legal entity were compulsory alienated during martial law; (3) the state owns more than 50 percent of its shares (except for the legal entities that are liquidated by the decision of the owner);
- The bankruptcy proceedings commenced against the legal entity that conjunctively meets the above criteria shall be terminated at any stage of the proceedings.

It shall be prohibited to commence the bankruptcy proceedings against: (1) SE "Eastern Mining and Processing Plant" – until 1 January 2028; (2) JSC "Chornomornaftogaz" – until 31 December 2028.

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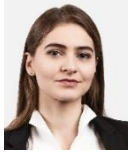

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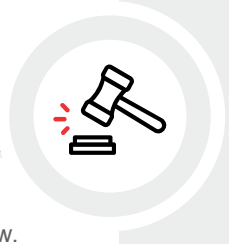
09 Enforcement Proceedings

Enforcement Proceedings



To what extent does martial law affect enforcement proceedings?

On 26 March 2022, the changes to the Law of Ukraine “On enforcement proceedings” became effective, which provide for: (1) certain restrictions regarding enforcement actions in favor of Russia; (2) certain relieves during the state of martial law. The list of such relieves was further expanded by the respective amendments to the Law.

1. **Restrictions with regards to enforcement actions in favor of Russia**
   Until the entry into force of the law regulating the relations involving persons associated with the aggressor state: (1) the commission of enforcement actions in favor of the Russian Federation is suspended; (2) the replacement of creditor in enforcement actions in favor of Russian Federation is prohibited. These also apply to the following persons:
   - Citizens of the Russian Federation;
   - Legal entities established and registered under the laws of the Russian Federation;
   - Legal entities established and registered under the laws other than Ukrainian, having among its ultimate beneficial owners, members or participants (shareholders) the Russian Federation, citizen of the Russian Federation, or legal entity established and registered under the laws of the Russian Federation.

   The above restrictions do not apply to citizens of the Russian Federation residing in Ukraine on legal grounds, and legal entities established and registered under the laws of Ukraine, having ultimate beneficial owner, member, or participant (shareholder) citizens of the Russian Federation residing in Ukraine on legal grounds.
2. **Relieves in enforcement proceedings during the state of martial law**
   Temporarily, for the period until the termination or cancellation of martial law on the territory of Ukraine:
   - Persons whose funds have been arrested may carry out expenditure operations in the amount not exceeding 2 minimum wages during one calendar month, as well as pay taxes/fees;

Enforcement Proceedings

To what extent does martial law affect enforcement proceedings?

- Legal entities and self-employed persons (that have employees) whose funds have been arrested may carry out expenditure operations only for the payment of wages (not exceeding 5 minimum wages per month per employee), and taxes/fees;
- The terms prescribed under the Law of Ukraine “On enforcement proceedings” shall be interrupted and established from the date of termination or cancellation of martial law;
- Commission of enforcement actions is suspended in enforcement proceedings against enterprises of the defense-industrial complex, military authorities and units, institutions and organizations being a part of the Armed Forces of Ukraine (except for recovery of wage/military pay), and JSC “Ukrainian Railways”;
- Commencement of enforcement proceedings under notary writs executed on loan agreements that are not notarized is prohibited;
- Commencement of enforcement proceedings and commission of enforcement actions on the temporarily occupied territories/territories where hostilities take place is prohibited.

Temporarily, during martial law and within two years after its termination or cancellation:

- Commission of enforcement actions is suspended in enforcement proceedings against debtors that meet the following criteria: (1) the debtor is a critical infrastructure operator; (2) the shares of the debtor were compulsory alienated during martial law; (3) the state owns more than 50 percent of debtor’s shares.

Temporarily, during martial law:

- Commission of enforcement actions is suspended in enforcement proceedings on collection of penalties, default interests, and sums of inflation index under the monetary obligations that arose in the period from 24 February 2022 until 1 September 2024, commenced against the electricity market participants the list of which is published by the National Commission for State Regulation of Energy and Public Utilities.

Enforcement Proceedings

To what extent does martial law affect enforcement proceedings?

Until 1 January 2027:

- Commission of enforcement actions is suspended in enforcement proceedings commenced against (1) SE “Production Association Southern Machine-Building Plant named after A.M. Makarov” in favor of the state, the bodies of the Pension Fund of Ukraine, or other state target funds; (2) the distribution system operators engaged in distribution of electricity in the territories where hostilities took place, or the territories that were temporarily occupied as of 31 December 2023, in relation to the debt to SE “Energorynok”.

For the duration of the moratorium on accrual of payments under credit (loan)/financial lease agreements, as provided for in paragraphs 23-29 and 30-36 of the “Final and Transitional Provisions” of the Civil Code of Ukraine:

- The term for presenting enforcement documents for execution, as well as commission of enforcement actions related to recovery of payments under such agreements from a borrower/lessee and from any guarantor are suspended.

Until 1 January 2028:

- commission of enforcement actions is suspended in enforcement proceedings commenced against SE “Eastern Mining and Processing Plant”.

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10 Intellectual Property

Intellectual Property

Are there any implications for the functioning of the Appeals Chamber of the National Intellectual Property Office (NIPO)?	Notwithstanding the challenges associated with the war, the Appeals Chamber of the NIPO has resumed its work. According to the Order of the Ministry of Economy of Ukraine dated 23 November 2023, No. 17768, "On Approval of the Regulations of the Appeals Chamber of the National Intellectual Property Authority" ("Regulations") dated 9 February 2024, the competence of the Appeals Chamber includes: ■ Consideration of oppositions to decisions of the NIPO regarding the IP registration; ■ Consideration of statements on recognition of rights to IP objects as invalid in whole or in part ("post grant opposition"); ■ Consideration of application for recognition of a trademark as well-known in Ukraine. In addition, the Regulations have also been modernized with the following provisions: ■ A simplified procedure for the appeals on the decisions of the NIPO; ■ The possibility of conducting mediation at any stage of considering an opposition or appeal; ■ E-filing of documents; ■ Simplified requirements for a survey on to support that the trademark is a well-known in Ukraine. However, due to the previous pause, cases are heard with certain delays to ensure that the earliest cases are considered first.
Are there any implications for the functioning of the "Ukraine" Commission of the National Intellectual Property Office (NIPO)?	Despite the difficulties brought on by the war, the "Ukraine" Commission of the NIPO ("Commission") has resumed its work on 26 June 2024, after the Commission's personnel were approved by Order No. 102/2024 of the Ministry of Economy of Ukraine.

Intellectual Property

Are there any implications for the functioning of the "Ukraine" Commission of the National Intellectual Property Office (NIPO)?	On 27 February 2024, the Order of the Ministry of Economy of Ukraine dated 20 December 2023, No. 19944 "On Approval of the Regulations on the Commission for Granting Permission to Use the Official Name and International Alphabetical Code of the State of Ukraine in a Trademark and/or to Include an Imitation of the Small State Emblem of Ukraine in the Trademark Image" came into force. It defined the "Ukraine" Commission's scope of action, as well as the procedure for filing and consideration of applications. The Commission's primary responsibility, as a collegial body, is to examine requests for authorization made to it for the following purposes: ■ Use of the official name and/or international letter code of the state of Ukraine in a trademark (UA/UKR); ■ Inclusion of an imitation of the small State Emblem of Ukraine in the trademark image. In practice, the Commission quite often makes positive decisions if there is sufficient justification.
Are there any implications for new/pending patent, trademark and design registry proceedings by the National Intellectual Property Office (NIPO)?	The NIPO continues performing its functions, including examination and registration of pending applications and the acceptance of new ones. The Parliament of Ukraine has adopted the law canceling the suspension of various statutory deadlines for the applicants' and right holder's actions related to the protection and acquisition of IP rights, including the deadlines for: ■ Submission of documents (requests, responses, oppositions, etc.); ■ Renewal of IP; ■ Challenging the NIPO's decisions; ■ Reinstatement of missed deadlines.

Intellectual Property

Are there any implications for new/pending patent, trademark and design registry proceedings by the National Intellectual Property Office (NIPO)?

The law entered into force on 31 May 2025, and primarily provided for the restoration of standard deadlines, which were suspended on 13 April 2022.

Now all statutory deadlines apply strictly in accordance with the legislation of Ukraine. This provision also applies to fees stipulated by legislation in the field of intellectual property rights.

It is also important to note that the institutional reform of the NIPO is now at the final stage and its finalization should have a positive impact on the NIPO's operations and the whole Ukrainian IP sector.

Additionally, the NIPO has formed its position regarding certain controversial issues:

- **IP owned by Russian entities in Ukraine**. Currently and till further notice, all actions related to such IP are suspended, i.e., they will not be renewed, voluntary terminated, prosecuted, etc. This restriction applies to all Russian entities, including subsidiaries of foreign companies. It is expected that this position will be also reflected at a statutory level in the future. Furthermore, based on our observations, the NIPO is also reluctant to enforce the IP rights of such entities, e.g., in opposition procedures. The foreign companies holding IP in Ukraine through Russian affiliates should consider re-structuring IP portfolios to ensure enforceability of their IP in Ukraine.
- **"Patriotic" trademarks**. In response to the growing number of applications for trademarks embodying war-related and patriotic symbols, the NIPO has expressly condemned such practice and noted that they will not be registered. To give the NIPO statutory grounds for such refusals, the respective draft law No. 9128 has been recently submitted to the parliament for consideration. This draft law aims to prohibit both the registration as trademarks and use in advertising of the designations which:
- Wholly or partially reproduce the names of events related to national security and defense measures, repelling and deterring Russian armed aggression;

Intellectual Property

Are there any implications for new/pending patent, trademark and design registry proceedings by the National Intellectual Property Office (NIPO)?	■ Reproduce the names of settlements and localities affected by Russian armed aggression or that are generally recognized as symbols of the resilience and heroism of the Ukrainian people; ■ Refer to combat and military operations related to the national security and defense measures, repelling and deterring Russian armed aggression; ■ Reproduce the names of manufacturers, types and kinds of weapons, military and special equipment; ■ Reproduce the names of military branches and units of the Armed Forces of Ukraine, other military formations; ■ Reproduce official greetings of the Armed Forces of Ukraine, other military formations. As of 16 May 2026, the official fees for filing intellectual property applications electronically in Ukraine were increased — the preferential rate changed from 75% to 90% of the established fee. At the same time, preferential terms were introduced for veteran entrepreneur entities, who will now pay 25% of the fee for inventions, utility models, industrial designs, and layouts of semiconductor products, and 50% for trademarks and geographical indications.
Is there any specific impact on IP enforcement?	Under the current circumstances, the possibility of reaching out to, and establishing a meaningful dialogue with, the infringers might be impeded. Therefore, the effectiveness of non-jurisdictional methods of IP protection (i.e., performance of independent actions by right holders) might be lower in some cases, especially in the regions affected by active hostilities. As for the courts, they continue operating and their work cannot be suspended under martial law. The number of court hearings in IP-related cases has gradually increased, but the courts continue to operate relatively smoothly. Additionally, it is still highly recommended to monitor newly filed trademark applications and file oppositions with the NIPO if potentially threatening designations are detected.

Intellectual Property

How is the customs protection of IP rights affected?	The Parliament authorized the Cabinet of Ministers to determine the categories of goods in respect of which the customs authorities will not control the observance of IP rights during the clearance process. The list has not been published yet, but it is expected to cover mostly the goods of humanitarian or military importance. Moreover, as of 13 October 2022, the registration of IP owned by Russian citizens and companies, including Russian subsidiaries of foreign companies, is officially suspended by the government. This novelty also extends to all goods produced, imported or exported by Russian entities and individuals. No customs actions will be taken with respect to such IP at least until martial law is lifted.
Are there any implications for copyright protection?	The Order of the Ministry of Economy of Ukraine No. 11319 “On Approval of the Procedure for State Registration of Copyright and Contracts Relating to the Author’s Copyright” dated August 16, 2023, extends the grounds for refusal of copyright protection. State registration of copyright and related contracts is prohibited if an application contains banned information under legislation on condemning communist and national socialist (Nazi) totalitarian regimes and prohibition of propaganda of the aggression of the Russian Federation. Effective from 24 November 2023, individuals who are Russian citizen or associated with the Russian Federation, or subject to sanctions in accordance with the Law of Ukraine “On Sanctions”, are refused copyright protection in Ukraine if they are the author (co-author) or compiler, heir, employer, customer etc.

Intellectual Property

Have any content restrictions been imposed?	Yes. On 3 March 2022, the Commander-in-chief of the Armed Forces of Ukraine approved the List of information, the disclosure of which may lead to awareness by the enemy about the actions of the Armed Forces of Ukraine and other components of the defense forces and negatively affect the course of performing tasks for their intended purpose during the legal regime of martial law ("List"). This List outlines the information/data that must not be disclosed during martial law, including, among others, the following: ■ Name of military units and other military facilities in the areas where combat (special) operations are performed, their geographical coordinates, number of personnel, weapons and military equipment, material and technical means, their condition and storage locations; ■ Information on combat operations that are being conducted or planned, the movement and deployment of troops (name, number, places, districts, routes), deferred or canceled operations; ■ Information on missing or downed aircraft, missing ships and search and rescue operations that are planned or being carried out; ■ Information intended to promote or justify large-scale armed aggression of the Russian Federation against Ukraine, etc. The Parliament of Ukraine has also increased criminal liability for production and dissemination of materials containing justification, recognition of lawfulness and denial of armed aggression of the Russian Federation against Ukraine, started in, 2014. As of 16 March 2022, such crime is punishable by a restriction of liberty for up to five years or imprisonment for the same term, with or without confiscation of property. In addition, the blocking of access to the respective content or prohibition of media outlets distributing such content in Ukraine through the imposition of sanctions cannot be excluded.

Intellectual Property

Have any content restrictions been imposed?	Furthermore, on 22 May 2022 the Parliament adopted the law aimed at prohibiting the propaganda of Russian Nazi totalitarian regime, armed aggression of the Russian Federation against Ukraine, and symbols of the Russian armed and other military forces used in the war against Ukraine. Among other things, this law equates the public use of symbols of the military invasion of the Russian Nazi totalitarian regime in Ukraine to the propaganda and, therefore, bans such actions, including the use, creation, and distribution of products containing such symbols in Ukraine and/or abroad. The list of such symbols includes: ■ Latin letters “Z”, “V” used as symbols of the military invasion of Ukraine (without legitimate context or in the context of justifying the armed aggression against Ukraine or other hostilities), including in the individual words with a visual emphasis on such letters; ■ Formal or informal symbols (emblems) of the armed forces of the Russian Federation, including other armed formations and (or) bodies of the Russian Federation. The law also sets out in more detail the prohibited ways of using such symbols and some acceptable exemptions. This prohibition came into force on 12 June 2022. Additionally, on 19 June 2022, the Parliament voted for the draft law prohibiting communication of phonograms, videograms and music videos of artists who are or were Russian citizens as of 1991 or onward to the public (including over the Internet). Same prohibition applies to the content produced by an individual or legal entity that were citizens or legal residents of Russia at the time of the publication of the recording. There are still a few legitimate exceptions to the use of such content and an exclusion for the Russian performers (singers) who condemn Russia’s aggression against Ukraine. The list of such performers (singers) will be maintained and updated by the Office of the National Security and Defense Council. The law came into force on 7 October 2022.

Intellectual Property

Have any content restrictions been imposed?

On 13 December 2022, the Parliament voted for the Law of Ukraine “On Media” that came into force on 31 March 2023. Apart from introducing a completely new legislative landscape for the media industry, the Law also contains a separate section on the regulation of media in the context of armed aggression. Among other things, it restricts the distribution of the following information:

- Information that presents the armed aggression against Ukraine as internal conflict, civil conflict, civil war if this entails the incitement of enmity or hatred or violent change or overthrow of the constitutional order or violation of territorial integrity
- Misleading materials regarding the armed aggression and actions of the aggressor state, its officials, persons and organizations controlled by the aggressor state if this entails the incitement of enmity or hatred or violent change or overthrow of the constitutional order or violation of territorial integrity
- Programs and materials, one of the participants of which is a person included in the List of persons who pose a threat to national security

In addition, the Law sets out certain restrictions on ownership structure and financing of media, the activities of foreign linear media, and prohibits the distribution of on-demand audiovisual media services and services of audiovisual media service providers of the aggressor state.

The Law of Ukraine “On Combating Gambling Addiction (Ludomania)” entered into force on 1 April 2025, replacing Resolution No. 566 “Some issues of countering the negative consequences caused by gambling games operation on the Internet” dated 17 May 2024.

Advertising of gambling is prohibited except in specific cases:

- In media from 11:00 p.m. to 6:00 a.m.;
- In specialized publications (21+);

Intellectual Property

Have any content restrictions been imposed?

- Inside gambling establishments; on organizers' websites and apps;
- In registered online and non-linear media with targeting for 21+;
- On platforms and search engines with technical age restrictions.

It is forbidden to reimburse expenses, offer free bonuses, place gambling brands on goods (except gaming inventory and permitted sponsorship mentions), make mass calls or send messages, advertise in occupied territories or use the brand in charity or partnership communications. Ads must not feature persons under 21, military personnel, volunteers, medical workers, public figures or influencers (except athletes), nor use their images or characters from films or animation. Patriotic themes and symbols are also banned. Placement of an organizer's app in app stores is not considered advertising.

Failure to comply with gambling advertising requirements may result in a fine of up to $115,000.

PlayCity was established as a state agency regulating Ukraine's gambling and lottery market. Its core duties include shaping and enforcing gambling policy, licensing operators, monitoring compliance, tackling illegal activities, maintaining a player registry, and implementing self-exclusion tools to curb addiction. It also safeguards player rights and promotes responsible gaming standards.

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11 Antitrust and Competition

Antitrust and Competition

How has martial law affected the activities of the Antimonopoly Committee of Ukraine?	After a brief disruption in its activities at the beginning of the full-scale russian invasion in 2022, the Antimonopoly Committee of Ukraine (the "AMC") has resumed full operations. It continues to review merger control and concerted actions filings, infringement complaints and cases, and issue recommendatory clarifications on whether actions undertaken by entities comply with Ukrainian competition legislation. The AMC remains actively involved in reforming Ukrainian competition legislation to align it with the requirements of the EU-Ukraine Association Agreement. This has resulted in the implementation of quite a significant set of amendments to the Ukrainian competition law in 2024.
What changes were brought by competition law reform?	In August 2023, the Ukrainian Parliament adopted Law No. 5431 (the "Law"), which introduced significant changes to Ukrainian competition legislation and launched a major competition law reform in Ukraine. The Law entered into force on 1 January 2024 and brought a number of enhancements to the competition legislation, including the following: ■ Changes to obtaining the AMC's merger control approvals (including changes to the calculation of merger control triggering thresholds, removal of the 25% stake acquisition clearance (unless control is required), treatment of several transactions as a single transaction for purposes of filing, etc.); ■ Updating rules for dawn raids; ■ Introduction of settlement and reshaping leniency procedures; ■ Introduction of joint and several liability for the payment of fines imposed by the AMC; ■ Strengthening of the institutional powers of the AMC; ■ Establishment of the maximum term for review of competition law infringement cases.

Antitrust and Competition

What changes were brought by competition law reform?

Changes to obtaining the merger control approvals

Amendments to merger control triggering thresholds

The Law introduces the following changes to calculation financial indicators. The AMC's merger control approval is required if, for the financial year immediately preceding the year of the respective merger control filing submission, either of the following criteria is met:

i. The value of the parties' combined worldwide turnover or assets exceeds (whichever is higher) EUR 30 million, and the value of Ukrainian assets or turnover (whichever is higher) of each of at least two parties exceeds EUR 4 million.

ii. The value of Ukrainian assets or turnover (whichever is higher) of at least one party exceeds EUR 8 million, and the worldwide turnover of at least one other party exceeds EUR 150 million.

According to the changes introduced by the Law, if the target has no assets in Ukraine and has not been active in Ukraine for the last two financial years and in the current year, the seller's financial indicators are no longer to be considered when calculating the merger control-triggering financial thresholds if the control relations between the seller and the target cease as a result of a respective transaction.

In addition, when calculating the financial thresholds of a party that is jointly controlled by several undertakings, such party's turnover and assets shall be apportioned in equal parts between such controlling undertakings regardless of the number of shares and/or votes owned (controlled) by them.

Antitrust and Competition

What changes were brought by competition law reform?

Changes in the definition of “concentration”:

An acquisition of shares, securing, reaching, or exceeding 25% or 50% of the voting rights in the target’s highest governing body, shall only be considered a concentration if such acquisition will provide the acquirer with the control.

Update to dawn raid rules

The Law strengthens the AMC’s authority to conduct dawn raids and defines it in more detail. In particular:

- A ruling of court is now required to conduct inspections;
- The term of an inspection may not exceed 30 calendar days, unless otherwise established by a commercial court’s decision;
- In addition to business premises, private residences can now also be searched for individuals controlling inspected businesses.
- The AMC has broad powers to seize documents and electronic carriers of information, as well as to seal premises/equipment searched;
- The nonappearance of a lawyer or a representative of an entity authorized to participate in the inspection within three hours does not prevent the inspection from being carried out.

In July 2025, following recent reforms and amid wartime conditions, the AMC announced it had conducted dawn raid in an anticompetitive concerted actions case (bid rigging), resulting in a fine of approximately EUR 14,500.

Antitrust and Competition

What changes were brought by competition law reform?

Introduction of settlement and improvements to the leniency procedures

The Law introduces settlement procedures in cases of cartels and abuse of dominance . The Law envisages the following essential terms of a settlement agreement:

- The defendant's recognition of the fact that an infringement has been committed;
- The circumstances of infringement, recognized by the defendant;
- The termination of the competition law infringement;
- Offers and guarantees from the defendant regarding eliminating causes of such infringements and conditions contributing to their occurrence (if available) and regarding eliminating the consequences of the infringement (if available);
- A 15% reduction of the fine compared to the amount that could have been imposed in the case of a settlement procedure not being applied.

To apply for a settlement procedure, the defendant shall submit a corresponding application to the AMC before the AMC sends preliminary conclusions on infringement.

The Law improves the leniency procedure for participants of anticompetitive concerted actions; specifies requirements for the applicant regarding the leniency procedure; establishes cases when the legal entity cannot be exempted from liability; introduces a partial exemption from liability in addition to a full exemption from liability; and determines the procedure for compensating damage caused by the legal entity that is being exempted from liability.

Antitrust and Competition

What changes were brought by competition law reform?

According to the Law, the other parties in the infringement case may seek a reduction of fines imposed by the AMC by providing significant evidence. The respective reduction shall be provided based on the priority of the applications submitted by the parties.

Since improving the leniency procedures, the AMC has applied it three times, most recently in October 2025. All cases concerned anti-competitive concerted actions through bid-rigging.

Introduction of joint and several liability for the payment of fines imposed by the AMC

The Law provides joint and several liability for the payment of fines for violation of competition law for companies that are part of a single undertaking. The AMC can collect the fine from either the parent company or any other company of that group.

Strengthening of the institutional powers of the AMC

The Law provides for the AMC's access to automated registers, data banks (databases) and other systems for collecting, storing, processing and searching for information and data. The AMC shall have the right to not consider an application relating to competition law infringement if the applicant does not prove that the actions or inaction containing signs of infringement has or had a direct and negative impact on its rights and/or activities. If the AMC's decision is not executed, the Chairman of the AMC or its territorial branch can issue an order on the enforcement of the decision, which is an executive document. Therefore, the AMC is now entitled to collect unpaid fines without court involvement.

Establishment of a maximum term for reviewing competition law infringement cases

The Law establishes a maximum term for reviewing competition law infringement cases, which is within three years of the date of the resolution initiating the competition law infringement case, along with the possibility of an extension of no more than two years.

Antitrust and Competition

What changes were brought by competition law reform?	**Other changes** To implement the competition law reform, the AMC also adopted the following normative acts, which came into effect at the beginning of 2024: ■ Resolution No.16-rp, dated 23 November 2023, which amends the rules for the consideration of competition law violation cases; ■ Resolution No.22-rp, dated 14 December 2023, on the procedure for calculating fines for competition law infringements, which provides more detailed guidance on the approaches followed by the AMC when determining the amount of fines.
What are the latest developments introduced by the AMC?	**Resumption of review of merger and concerted actions filings suspended during martial law** On 17 November 2025, the AMC announced it will resume reviewing merger and concerted practice filings submitted between 30 March and 17 June 2022, which were temporarily suspended under the Guidelines on filing and consideration of applications during martial law Guidelines on filing and consideration of applications during martial law adopted at the start of the invasion. Parties affected by this pause must update their filings with current information and documents between 1 December 2025 and 31 March 2026, enabling the AMC to proceed with their review. **Approval of new methodology for defining product markets and dominant position** On 11 June 2026, the AMC adopted Resolution No. 2-rp, implementing a revised methodology for determining product markets and assessing dominant position. The document builds on over two decades of enforcement experience and reflects approaches of EU competition authorities, including the European Commission's Notice on market definition (C/2024/1645).

Antitrust and Competition

What changes were brought by competition law reform?	**Other changes** In June 2025, the AMC adopted updated Rules of Procedure (Resolution No.4-rp, dated 1 May 2025), introducing (i) the option to hold AMC meetings in remote and hybrid formats, (ii) procedures for recusing AMC members where there are concerns about their impartiality or objectivity; and (iii) the ability to invite representatives of governmental bodies, the Business Ombudsman Council, and relevant companies or organizations to provide expert input on agenda items requiring specialized knowledge.
Was the defense sector affected by competition law reform?	Starting May 2024, certain defense-related transactions have become exempt from the Ukrainian merger control clearance requirement during the martial law period and within 90 days after its expiration or termination, subject to the satisfaction of all the following conditions: ■ The transaction is implemented outside Ukraine; ■ The transaction is aimed at developing and implementing military technologies and producing military and dual-use goods in Ukraine; ■ The ultimate recipients and/or acquirers of such goods (technologies) are exclusively the Armed Forces of Ukraine and other Ukrainian law enforcement/military bodies; ■ Such technologies are not developed and implemented in Ukraine, or such goods are not produced in Ukraine, or their production is insufficient as of the transaction date; ■ The acquirer of control is a business entity that is active in the production, sale or purchase of military products; military services; or the development and implementation of military technologies and dual-use goods.

Antitrust and Competition

How has the PPP framework been changed by the recent reform?

Updates to Ukraine's PPP framework

Starting 31 October 2025, Ukraine introduced significant changes to its public-private partnership (PPP) legislation, granting the AMC a stronger role in reviewing disputes arising from breaches of competitive partner selection procedures.

AMC reviewing procedure

Under the new rules, the AMC shall set up a designated commission to review complaints, and the submission of any complaint automatically suspends the tender until a decision is rendered. Only participants in the bidding process can submit complaints, and any decision of the commission can be challenged in an administrative court within three months.

Expanded grounds for disqualification and sanctions

The reform also broadens the criteria for disqualifying bidders. Exclusion may be based, *inter alia*, on proven bankruptcy, anticompetitive concerted or collusive actions, corruption, conflicts of interest, or other integrity-related violations. Where procedural breaches are identified, the AMC may cancel the tender or require it to be repeated. Notably, evidence of bid rigging triggers enforcement under competition law: such conduct is treated as a violation, carrying penalties of up to 10% of annual turnover and a three-year ban from PPP projects.

Antitrust and Competition

Focus of AMC in 2026:	Following the AMC's announcement in January 2026, the authority's priorities for 2026 include advocating for compliance and detecting and stopping competition law infringements in the following markets: ■ Light petroleum products; ■ Services to access to port infrastructure; ■ Markets operating on digital platforms; ■ Products that fulfill basic physiological and/or socio-cultural human needs; ■ Medicines; ■ Housing and communal services; ■ Services to access construction sites, transport, power engineering for the purpose of developing electronic communications networks; ■ Online search engines and price aggregators. Among the AMC's proprieties are also detecting and establishing violations of competition law during bidding, auctions and tenders with respect to the procurement: ■ Of products and services for national defense and security; ■ In the fuel and energy sector; ■ In restoration of Ukraine, in particular, in the construction sector; ■ Of medicines, medical devices and equipment, and other healthcare-related products.
What has changed in terms of state aid enforcement?	On 13 April 2022, the amendments to the Law of Ukraine On State Aid to Business Entities No. 1555-VII, dated 1 July 2014 (the "State Aid Law"), entered into force (the "Amendments"), simplifying the mechanism of state aid provision during the martial law period and within a year after its expiration or termination.

Antitrust and Competition

What has changed in terms of state aid enforcement?

In accordance with the Amendments:

- Certain provisions of the State Aid Law shall not apply during martial law, including:
  - The criteria for deeming state aid compatible;
  - The requirements regarding notifications on state aid;
  - The AMC's procedure to review notifications and cases related to state aid;
  - The verification of information on illegal state aid and on the inappropriate use of state aid;
  - The procedure for recovering incompatible state aid and for reviewing the existing state aid;
- State aid provided during martial law is automatically considered compatible. Nevertheless, it must still comply with certain objectives enshrined in the State Aid Law;
- Providers of state aid are exempted from the following obligations:
  - To report new state aid and proposals to amend the terms of the existing state aid if such state aid is provided during the martial law period or within a year after its expiration or termination;
  - To submit information on the existing state aid provided during the martial law period or within a year after its expiration or termination.

In July 2025, the Cabinet of Ministers of Ukraine adopted Resolution No. 805, approving AMC-developed criteria for assessing the admissibility of certain types of state aid. These criteria align with European principles and aim to support economic development without harming competition.

In April 2026, the AMC developed a draft resolution setting out criteria for assessing the admissibility of state aid granted for services of general economic interest. The proposed framework, aligned with the European Commission Decision No. 2025/2630 of 16 December 2025, defines the purpose of the aid, eligible beneficiaries, maximum aid amounts, calculation methodology, and reimbursable costs, ensuring that compensation for public service obligations remains compatible with competition principles.

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12 Foreign Direct Investments Screening Regime

Foreign Direct Investments Screening Regime

What has changed in terms of FDI Screening Regime enforcement?

On 22 September 2025, draft law No. 14062 "**On Screening of Foreign Direct Investments**" (the "Draft Law") was registered in the Ukrainian Parliament. It proposes a screening mechanism and mandatory notification requirements for certain foreign direct investments (FDIs) in sectors relevant to national security. If adopted, the Draft Law will introduce an FDI screening regime that takes effect six months after publication and will not apply to transactions completed before its entry into force.

Sectoral focus

FDIs will be subject to screening if they involve Ukrainian entities active in the following sectors (i.e., "Screening Entities"):

Critical Infrastructure

Strategic Minerals

Defense & Dual-Use Products

Foreign Direct Investments Screening Regime

What has changed in terms of FDI Screening Regime enforcement?

Notifiable events

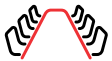
The Draft Law requires notification for approval of FDIs that result in a foreign investor (directly or indirectly):

- Acquiring more than 25% of voting rights in a Screening Entity;
- Gaining the right to appoint the sole executive body, or more than 50% of a collegial executive body, or more than 25% of a supervisory board or another collegial management body of the Screening Entity;
- Gaining the right to block management decisions;
- Acquiring ownership or use of fixed assets valued at 10% or more of the Screening Entity's total assets;
- Making other investment transactions into a Screening Entity resulting in foreign direct investment (i.e., "catch-all" clause).

A Register of Foreign Investors will be established and FDI investors will be subject to annual reporting and monitoring. Access to such Register will be restricted and governed by law.

Liability and sanctions

Failure to comply with the FDI notification requirement may result in:



Revocation of voting rights acquired through a transaction involving foreign investment

Loss of the right to receive a share of profits/ dividends from the date the relevant transaction was executed

Invalidation of the relevant transaction

Fines of up to 50% of the value of the FDI

Foreign Direct Investments Screening Regime

What has changed in terms of FDI Screening Regime enforcement?

Ukrainian Government established Interdepartmental FDI Screening Commission

On 28 January 2026, the Cabinet of Ministers of Ukraine adopted Resolution No. 97 establishing the Interdepartmental FDI Screening Commission (the "Commission"). The new body is described as a temporary consultative and advisory organ under the Cabinet of Ministers, responsible for coordinating state policy in the area of FDI screening and for assessing the potential effects of foreign investments on Ukraine's national security. The Commission currently has no authority to approve, conditionally approve or block foreign investments. Its role now limited to providing non-binging recommendations, which, however, may still lead to future governmental decisions. The Commission will be composed of representatives of several ministries and agencies, including Ministry of Economy, National Security and Defense Council, Ministry of Defense, the AMC and others.

Next steps and preparations

The Draft Law as well as an alternative, more comprehensive, draft law on FDI submitted to the Ukrainian Parliament last autumn, is still under parliamentary review. Both drafts at an early stage and remain subject to full parliamentary review and consultations with public and private sectors' stakeholders.

While no immediate action is required, it is advisable to monitor legislative developments and already access potential impact on planned investment transactions in specified sectors. If you have any questions or would like to discuss how these developments may affect your investment planning, please contact us.

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13 Compliance

Anti-bribery Compliance

What is the current compliance environment in Ukraine?	According to the Transparency International Corruption Perception Index 2024, Ukraine has scored 35 points out of 100, which is one point lower compared to the 2023: ■ Ukraine remains a high-risk country from a corruption perspective; ■ Ukrainian government is pushed and will enhance the enforcement practices to shift the trend from “formal to actual results” regarding fighting corruption.
How the government manage non-compliance with anti-bribery laws during the war?	The Ukrainian government is showing its commitment of enhancing the enforcement against bribery violations in line with the EU Commission’s Opinion of 2022 on Ukraine’s EU accession. Within the last three years, ■ The government finalized the establishment of the anti-corruption branch of enforcement, actively producing indictments and prosecution orders; ■ The overall amount of seized proceeds of corruption amounts to USD 61,3 mln; and ■ Current pending court trials reflect an overall amount of more than USD 6 bln. The legislative amendments introduced are affected by the EU accession process and war conditions. These amendments are not limited by the war regime and constitute a permanent update of the core legislation.
What are important changes in the application of anti-bribery laws?	On 4 December 2024, certain amendments to the Criminal Code of Ukraine entered into force (the “Amendments”), adding a new category to the definition of public official (foreign public official concept): ■ Officials of foreign states, including the officials of municipal/territorial authorities; ■ Foreign arbitrators, individuals authorized to resolve civil, commercial or labor disputes in foreign countries in an alternative procedure, judges and officials of international courts; ■ Officials of international organizations and members of international assemblies to which Ukraine is a member.

Anti-bribery Compliance

What are important changes in liability for anti-bribery laws violations?

The Amendments have introduced new types of corporate liability and extensively increased the existing penalty ranges:

1. A special confiscation (forfeiture) is applied:
   - To proceeds of crime and/or assets that were used for criminal misconduct, excluding the assets which must be returned to a lawful owner by law;
   - To assets that were transformed (e.g., money to real estate);
   - Simultaneously with other penalties for bribery of a foreign public official or money-laundering associated with the same;
   - To assets that were allocated to the possession of a third party.
2. Additional (non-financial) corporate liability for a term of up to three years is applied in the form of:
   - Temporary limitation of legal entity's capacity to (i) participate in public procurement, privatization, social dialogue bodies/self-governing organisations, sponsorship, Public-Private Partnerships or Joint-Ventures; (ii) use a license/permit or apply for a new one, lease state or communal property, purchase Ukrainian government bonds and/or advertise business; and/or
   - Temporary limitation in rights and privileges such as obtaining (i) assets of privileges from the state or territorial communities; (ii) international aid or financing; (iii) state aid; (iv) Diia City residency; and/or (v) state or other financial aid for export activities.
3. A fine range for legal entities was increased to UAH 127.5 mln (app. USD 3 mln) or twice illicit benefit obtained.

Anti-bribery Compliance

What are the leniency rules and trends in corporate liability?	The Amendments have introduced an opportunity to enter a deferred prosecution agreement. The fine payment can be deferred up to three years depending on the gravity of the crime and the courts vision of the financial condition of the offender. Ukrainian courts are focused on compensating damages to the state and achieving cost-effective enforcement. Therefore, plea deals and deferred prosecution are possible even in cases of grave corruption. The exception to this trend is for offenders suspected of capital crimes (e.g., treason, Russian ties, etc.).

Regulatory Compliance

How the war affect the requirements of the Ukrainian government towards the regulatory requirements?	The war regime regulations introduced several liberalization measures towards the products produced in or imported to Ukraine. Such liberalization included, among others, a moratorium on market surveillance for almost three years. At the same time, the process of Ukraine's accession to the EU required Ukraine to update regulatory requirements to open Ukraine to the EU market. This led to the gradual cancellation of the mentioned liberalization measures and the enhancement of the requirements in line with the EU standards. The vast number of regulatory updates refer to the implementation of the Deep and Comprehensive Free Trade Area ("DCFTA") and Agreement on Conformity Assessment and Acceptance of Industrial Products ("ACAA") requirements. Full ACAA implementation is expected to establish mutual recognition of the quality of the EU products in Ukraine and Ukrainian products in the EU.
What are the changes to the product requirements during the war?	Ukrainian technical standards and regulations on product safety and quality are in the process of full alignment with the EU standards (under ACAA process). However, the EU product imported to Ukraine are still subject to local certification, even in the case when Ukrainian standard is technically the same as the EU standard. The progress of ACAA implementation foresees implementing mutual recognition of product quality between the EU and Ukraine in 2025 for the following products: ■ Machinery, ■ Electromagnetic compatibility and ■ Low-voltage equipment.

Regulatory Compliance

What are the trends in market surveillance during the wartime?

The market surveillance ban introduced in 2022 was uplifted on 27 December 2024 by the decision of the Cabinet of Ministers of Ukraine. This decision was adopted in view of the requirement to implement the ACAA. Further ACAA implementation led to the update of the Law of Ukraine "On State Market Surveillance and Control of Non-Food Products" No.275-VI (the "Market Surveillance Law") on 9 May and 10 October 2024 introducing:

- Significantly increased fines of up to UAH 340,000 (app. USD 8,175) for each violation related to non-compliance of products applicable to business producing, importing or distributing goods in Ukraine; and
- Enhanced inspection capacities for market surveillance and customs authorities.

In Q1 2025, the State Consumer Service (the "SCS") conducted app. 450 inspections, including inspections across the supply chain (212) and triggered by customs authorities (42). The SCS revealed violations with more than one million units of goods and issued 2,000 limitation orders – product withdrawal, confiscation and requirement to rectify deficiencies.

Further amendments are expected in the field of spreading market surveillance to e-commerce trade and alignment with the requirements of the EU Regulation 2023/988 of 10 May 2023 on General Product Safety ("GPSR"). At the same time, Ukrainian producers, exporters and distributors are already subject to the GPSR rules and hefty fines when offering goods on the EU market.

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