

16 November 2018

The Law introduces compulsory disclosure in the extractive industry in connection with Ukraine's accession to the Extractive Industries Transparency Initiative (EITI)



Who has to disclose?

Payment recipient (government authorities, municipal authorities, a legal entity with a state share of at least 50%, a company in which another company solely owned by state holds at least 50%)



What information is disclosed?

Report on payments received containing, in particular, the following information:

- dividends paid to the state budget;
- share of profit production;
- other payments provided for by agreements, in particular, production sharing agreements, concession agreements, and joint activity agreements



How is information disclosed?

Submitting the report to the Ministry of Energy and to an independent administrator responsible for analysis of the data received

Placing a report on own website or in a special e-system



Who has to disclose?

Business entities operating in the extractive industries, and their local parent companies



When?

Payment report is submitted annually by 1 September, and the information on essential terms of agreements is submitted within 1 month after execution or amendment thereof



What information is disclosed?

Report (consolidated report) on payments payable to the state containing, in particular, the following information:

- paid taxes and fees;
- other payments provided for by agreements, in particular, production sharing, concession, and joint activity agreements;
- volumes of extraction;
- information on ultimate beneficial owners.

Information on the essential terms of subsoil use agreements (with respective extracts)

The first reporting period is 2018



How is information disclosed?

Submitting the report to the Ministry of Energy and an independent administrator responsible for analysis of the data received, and placing on own website or in a special e-system

Submitting information to Ministry of Energy or placing in a special e-system



Who has to disclose?

Ministry of Energy and Coal Industry



What is disclosed?

Electronic version of the report on payments payable to the state (consolidated report)



How is information disclosed?

Placing on own website or in a special electronic system

EITI report based on the results of the analysis and verification of data received

Information on the essential terms of subsoil use agreements (with relevant extracts)



Who has to disclose?

State Service of Geology and Subsoil



How is information disclosed?

Placing on own website



What is disclosed?

Information on applications for special permits for subsoil use, applications for preparation of subsoil blocks for auctions, issued special permits for subsoil use, concluded agreements on subsoil use (with annexes, including work programs)



Serhiy Piontkovsky
Managing Partner
Serhiy.Piontkovsky
@bakermckenzie.com



Andrii Moskalyk
Counsel
Andrii.Moskalyk
@bakermckenzie.com



Oleksandr Kez
Associate
Oleksandr.Kez
@bakermckenzie.com