

TO: Clients and Friends of the Firm
FR: Frishberg & Partners
RE: Company Registration and Liquidation

I. Introduction

On July 1, 2004, the Law of Ukraine No. 755-IV “On State Registration of Legal Entities and Physical Entities-Entrepreneurs,” dated May 15, 2003 (hereinafter the “Law”), came into legal force. The Law was specifically tailored to correspond to the Civil and Economic Codes of Ukraine, which simultaneously came into force on January 1, 2004 notwithstanding their apparent contradictions. Surprisingly, the Law has been quite effective in simplifying the registration procedure for those with professional guidance. In fact, “one-window” registration points have been popping up in many Ukrainian cities (with the exception, of course, of Kiev). With this bit of background information in mind, we briefly describe below the registration procedure of post-July 1, 2004.

II. Discussion

State registration in Ukraine evidences the fact of the creation or liquidation of legal entities or the fact of the acquisition or deprivation of the status of an entrepreneur (for natural persons only), as well as the any other registration activities which require the introduction of information into the Unified State Register of Legal Entities and Physical Entities-Entrepreneurs (hereinafter the “Unified State Register”).

The registration procedure involves the verification of the completeness and contents of required registration documents and duly completed registration cards, the introduction of information into the Unified State Register, and the issuance of certificates of state registration and extracts from the Unified State Register. Registration is performed at the place of location of legal entities or place of residence of natural persons, desiring to register as subjects of entrepreneurial activity (hereinafter “entrepreneur(s)”), by a state registrar.

State registrars are responsible for registering legal entities and entrepreneurs, reserving names of legal entities (a novelty in Ukraine), providing information to various state authorities from registration cards, creating and storing registration cards, filling out and issuing certificates of registration and extracts from the Unified State Register, registering amendments in the founding documents of legal entities or in the information on entrepreneurs, registering terminations of

activity, issuing certified duplicates of founding documents and amendments thereto, etc. State registrars are appointed and dismissed by regional, city or state administrations only upon the consent of the specially authorized body for issues of state registration (the “Authorized Body”).

Interestingly, in sharp contrast to the typical employees of registration authorities, state registrars must have a higher education at the level of a master’s degree or specialist with at least one year of experience of state service or three years experience in another sphere of administration. State registrars must possess a certificate from the state and a personal seal for stamping registration documents and files.

The Authorized Body has multiple functions and ensures the implementation of state policies in the sphere of entrepreneurship. Its functions include:

- a) tracking the observance of legislation in the sphere of the state registration;
 - b) generalizing the practice of enforcing the normative-legal acts on issues of state registration and developing draft normative-legal acts in this sphere;
 - c) approving the normative-legal acts related to the formation and maintenance of the Unified State Register;
 - d) ensuring the formation and maintenance of the Unified State Register;
 - e) approving the form of registration cards, certificates, extracts and excerpts from the Unified State Register;
 - f) organizing the technical training and increase of qualification of state registrars and agreeing upon the candidates for the position of a state registrar;
 - g) issuing certificates and seals of state registrars;
 - h) ensuring orders, deliveries, accounting and reporting, which are related to the expenditure of blank certificates of state registration and blank extracts from the Unified State Register;
 - i) issuing a special press publication for registration activities;
 - j) providing information from the Unified State Register to state authorities.
- A. Documentation

All documents to be submitted for any registration activity must be personally submitted or sent by registered mail and must be written in Ukrainian. This language requirement has caused quite an

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