

Ukraine | “Anti-raider” Law – November 2, 2019

On October 6, 2019 the Parliament of Ukraine signed a law ‘*On amendments to some legislative acts of Ukraine, regarding the protection of property rights*’, which came into force on November 2, 2019. The main purpose of the law is to provide additional guarantees for the protection of property rights in Ukraine.

With the Law, a number of changes were introduced in different legislative acts to close regulatory gaps on state registration of real estate and corporate rights. These gaps allowed the existence of raiding—unlawful acquisition of control over relevant assets.

The main focus of the Law is terminating activities of ‘accredited entities’. Accredited entities were mostly communal property enterprises created by local authorities to carry out transactions for registering property rights.

Practice has shown that using accredited entities in state registration is inappropriate, since a significant number of them took active part in dubious or criminal registration acts. It was through them that a large number of raiders unlawfully registered real estate, land, or corporate rights.

Furthermore, a territorial principle for the registration of property rights was introduced, which serves to eliminate the possibility of raider seizures using only one ‘black’ registrar in Ukraine. As a result, the ‘Anti-raider’- Law narrowed the circle of entities authorized to carry out state registration of property rights.

Additionally, the following items were introduced:

- multi-factor authentication for state registrars
- obligation to immediately notify owners of all registration actions with their property
- the possibility to suspend registration based on a statement by the real estate owner
- mandatory use of data from public registries
- stricter liability for registration violations
- mandatory use of the same notary certifying the agreement regarding conductions of state registrations of a record of participant changes
- obligation to notarize contracts on the alienation of corporate rights
- mandatory verification of the contents of the power of attorney and the agent’s powers

The adoption of this Law will contribute to more effective protection of property rights and counteract raider attacks in Ukraine. Property and business owners will have more opportunities to protect themselves from illegal actions by third parties.

How can SCHNEIDER GROUP help?

If you would like more information regarding the protection of property rights in Ukraine, please do not hesitate to contact us. SCHNEIDER GROUP Legal experts in Ukraine are ready to advise you on the peculiarities of the current Ukrainian legislation and help structure and execute deals.



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