

News Flash

December 2014

Ukraine cancelled corporate seal requirement

As it was informed earlier starting from **October 31, 2014** the changes to certain legislative acts introduced by the Law of Ukraine "On changes to certain legislative acts of Ukraine simplifying the procedure for setting up business" dated 15.04.2014 No. 1206-VII (hereinafter referred to as – the Law) came into effect providing simplification of the registration procedure for business entities in Ukraine.

One of the important changes is the **elimination of mandatory use of corporate seals** by private business entities.

The official letter of the National Bank of Ukraine No.25-110/74213 dated 11.12.2014 states that providing that legal entity defines independently the procedure for organization of its business activity when deciding on use of seal within bank servicing the bank should be guided by the company's statutory document (Articles of Association, constituent agreement/ act, regulations) which is the core document regulating the activity of the company.

If the statutory documents of the company provides the availability of seal the company is obliged to use it in all deals including the agreement relationships with the bank and when managing bank account as well as signing settlement documents.

Respectively, if legal entity decides to stop using the seal it has the right to refuse use it making relevant changes in company's statutory documents and shall notify the bank providing relevant supporting documents.

Therefore, if the legal entity makes the decision to stop using the seal in its business activity it shall hold the meeting of the company's highest governing body (General Shareholder Meeting for LLC) adopting new edition of the Articles of Association. Afterwards such changes shall be registered by the State Registration Services of Ukraine at company's location.

Moreover, according to the letter of the National Bank of Ukraine dated 11.12.2014 No. 25-110/74213 the relevant notification on changes and documents (new signature card and copies of the documents on changes) shall be provided to the company's servicing bank.

Contact

Tetiana Bagmet

Corporate Services Consultant

Tetiana.Bagmet@accace.com

www.accace.com

Disclaimer

Please note that the present newsletter has been prepared for general guidance on the matter and it does not represent a customized professional advice. Furthermore, because the legislation is changing continuously, some of the information may have been modified after the newsletter has been released and Accace does not take any responsibility and is not liable for any potential risks or damages caused by taking actions based on the information provided herein.