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ANTITRUST & COMPETITION

The Antimonopoly Committee of Ukraine (hereinafter "**AMC**") has defined the list of "natural monopolies". According to the announcement of the AMC the following entities have been recognized as "natural monopolies" on the national market.

- 1) NPC Ukrenergo
- 2) State Administration of Railway Transport of Ukraine – Ukrzaliznytsya (including six railways and other associations, enterprises, institutions and organizations of railway transport, as specified by Mintranssvyazi, according to the Decree of the Cabinet of Ministers of February 29, 1996, No. 262.)
- 3) NJSC – Naftogaz of Ukraine, a.k.a. Ukrtransnafta and its subsidiary company Ukrtransgaz
- 4) State Enterprise Ukrhimtransammiak
- 5) State Enterprise Ukraeroruh
- 6) OJSC Odessa Port Plant
- 7) State Enter Ukrpochta
- 8) Broadcasting, Radio Communications, and Television Concerns
- 9) OJSC Ukrtelecom

The AMC has additionally singled out "natural monopolies" in regional markets, the majority of whom operate in the heat, water, gas and energy supply spheres.

The recognition of entities as "natural monopolies" means that these entities have a monopoly position at certain markets and there are no alternative suppliers or customers on the mentioned markets. The "natural monopolies" should comply with certain requirements defined in the Ukrainian legislation, namely the Law of Ukraine "On Natural Monopolies", "On Protection of Economic Competition" etc. and not conduct any activity which may lead to denial, elimination or restriction of competition. Some actions of the "natural monopolies", (for instance, imposing unfair prices or conditions, limiting production, distribution or technological development, tying, fixing different prices or different other conditions for similar deeds etc.), being the forms of abuse of dominance, are restricted.

Finally, it should be noted that entities deemed "natural monopolies" by the AMC may contest this dubious designation via the appropriate channels within the AMC itself, by providing it with evidence on absence on the monopoly position on the certain market.

CORPORATE MATTERS — MERGERS & ACQUISITIONS

On February 20, 2010, new law regarding change of name in a joint stock company went into force. The new procedure for replacement of previously promulgated equity securities registration issue(s) and certificate(s) is outlined below.

Background — On December 30, 2009, the State Commission on Securities and Stock Market (hereinafter — "**SCSSM**") approved Resolution № 1638 outlining the procedural Regulation for replacement of the equity securities issue(s) and registration certificate(s) in connection with the change of name of a joint stock company (hereinafter — the "**Regulation**"). The Regulation was registered by the Ministry of Justice of Ukraine on February 9, 2010 under No 145/17440 and entered into force on February 20, 2010.

Summary — The Regulation sets forth the procedure to replace certificates upon registration of the equity securities issue(s) (i.e. shares, company's bonds, mortgage certificates, mortgage bonds, certificates of real estate operations fund). Firstly, there must be a change of name in the joint stock company (hereinafter "**JSC**") by resolution of its general meeting of shareholders. The Regulation then stipulates that the issuers must file the documents with the SCSSM for replacement within 60 calendar days from the date of state registration of the relevant amendments to the JSC's charter.

To effectuate the replacement of certificate(s) the following documents must be filed with the SCSSM:

- Application for replacement of the equity securities issue (issues) registration certificate (certificates) due to the change of name of a JSC;
- Minutes of the general meeting of shareholders (copy or original) or extract from such Minutes approving the amendments to the JSC's charter due to a change of its name;
- Notarized copy of the JSC's restated charter or amendments thereto (with the state registration mark);
- Copies of the (i) newly issued certificate of state registration of JSC, and the (ii) nullified certificate with the replacement mark;
- Original of share issue registration certificate;
- Copy of notification on convocation of the general meeting of shareholders published in accordance with the requirements of the law;
- Statement on the personal notification of JSC's shareholders about convocation of the general meeting.

Finally, it should be noted that to be in compliance with the law of Ukraine's "On Joint Stock Company" Regulation, the total amount of issue (issues), type, class (classes), par value, number, and form of existence of the equity securities can not be altered from its original issuance.

COMMERCIAL LAW — SILENT CONSENT

On February, 5 2010, by Resolution of the Cabinet of Ministers of Ukraine No. 77, dated January 27, 2010, Certain Issues of Operation of Principles of Silent Consent (hereinafter — the "**Resolution**"), established guidelines for the "automatic" obtainment of all relevant permits notwithstanding the time for expiration of certain terms in the case where there is an "absence of licensing authorities actions."

The Resolution allows businesses "to carry out certain actions concerning accomplishing commercial activity or commercial activities without obtaining permit documents within ten days from the date of expiration of the term established for issuance of the permit documents or adoption of resolution on refusal from its issuance, based on the copy of submitted documents demarcated as to the date of their submission."

At first glance the Resolution appears to simplify certain business processes for Ukrainian enterprises. It however, does not state any details clarifying the practical aspects of such "legitimate accomplishing of licensure activity without a license."

INSURANCE

The State Commission for Regulation of Financial Services Markets published a draft Regulation concerning some issues of obligatory civil liability insurance of vehicle owners, in particular changes in the amount of such insurance coverage. To be more precise, the Regulation proposes an increase in liability coverage to UAH 50,000.00 (for property damage per each person) and up to UAH 100,000.00 (for physical injury per one injured person). These limits of coverage are twice as much as currently in place. The basic insurance premium for the insurance policy is intended to be fixed at a rate of UAH 180.00, but the actual insurance premium will depend on such things as a policy holder's driving experience, place of residence, engine volume, etc.

HEALTHCARE

Healthcare overhaul in Ukraine is now pending. The Cabinet of Ministers of Ukraine recently approved a draft Regulation known as On Some Issues of Health Care System Improvement which intends to introduce large-scale changes to this sector. Of particular interest, the Regulation proposes introduction of obligatory medical insurance for everyone.

REAL PROPERTY

On February 17, 2010, the Ministry of Justice of Ukraine published Order No. 324/5 On Governing Relations Concerning State Registration of Property Rights to Real Estate (hereinafter — "**Order No. 324/5**").

Order No. 324/5 introduced changes to Order No. 7/5 On Approval of Temporary Order Concerning the Procedure of Registration of Property Rights to Real Estate which has been in full force and effect since February 7, 2002.

Order No. 324/5 introduces the following changes:

- there has been set the order of registration of property rights to real estate, based on Mortgage Agreements, which contain reservation concerning satisfaction of mortgagee's demands and which were concluded or amended after entering into force the Law of Ukraine "On prevention of influence of the world financial crisis on the development of building and house-building industry";

In the connection with abovementioned the list of documents, which are to be submitted to the Bureau of technical inventory, has been extended:

- there has been clarified the order of registration of property rights to the objects of incompleting construction. According to the order it is necessary to submit the documents in the process of submitting application to the Bureau of technical inventory, which assert right to the land plot and permission for the performance of building works.

Finally, on February 15, 2010, by Order No. 168 the State Committee on Land Resources of Ukraine put forth the Procedure for assignment of lot numbers to land plots. The Procedure establishes the process of formation and assignment of certain lot numbers to land plots and the process for introduction of necessary information to the State Register of Lands.