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SALKOM International Association

Ukraine Legal Update

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I. Anti-Monopoly Regulations

Change in Rules Regarding Economic Concentrations

On 26 January 2016 the Parliament of Ukraine adopted a law changing the rules for control over economic concentrations.[1] It is anticipated that the changes will be in effect in April 2016 (two months after the draft law is signed by the President and published).

Once the law becomes effective, the approval of the Antimonopoly Committee of Ukraine ("AMC") will be required if:

- total assets or aggregate sales of all participants of the concentration exceeded €30 million in the preceding fiscal year (including abroad), and the total assets or aggregate sales in Ukraine of at least two participants exceeded €4 million each; or
- aggregate sales in Ukraine of the target exceeded €8 million in the preceding fiscal year, and the aggregate sales of at least one other participant (including abroad) exceeded €150 million.

Additionally, the law will bring about a new simplified procedure for consideration of applications by the AMC.

In particular, the AMC will now have to consider an application within 25 days if (i) only one participant carries out its activity on the territory of Ukraine, or (ii) the total participants' share in one and the same goods market does not exceed 15%, or (iii) the share or aggregate share of participants acting on goods markets does not exceed 20% when having business on such market by another participant is impossible without these goods.

The law also provides the participants a right to offer solutions if the AMC finds grounds for prohibition of concentration. AMC has to allow 30 calendar days for the parties to offer solutions that they are willing to undertake in order to eliminate a negative impact on competition.

Antimonopoly Committee to Suspend Inspections for Six Months

According to the information available on the web-site of the Antimonopoly Committee of Ukraine, it will not perform scheduled inspections of business entities from 1 January 2016 until 30 June 2016.

http://www.amc.gov.ua/amku/control/main/uk/publish/article/120231

II. Regulatory

Embargo on Russian Products is Launched from 10 January 2016

As an answer to restrictions imposed by the Russian Federation against products imported from Ukraine, the Ukrainian Government approved a list of goods, the supplies of which from Russia are banned.[2] In general, these products include food and beverages, as well as certain insecticides and herbicides.

Such restrictions are imposed for the period from 10 January 2016 until 5 August 2016, or until the Russian Government's removal of the above restrictions against Ukraine.

[1] Draft Law of Ukraine "On Amendments to Law of Ukraine on Protection of Economic Competition Concerning Increase of Efficiency of Control over Economic Concentrations" (No. 2168a).

[2] The Resolution of the Cabinet of Ministers of Ukraine "On Imposing Ban on Importing on Customs Territory of Ukraine the Products Originating from Russian Federation" No. 1147 dated 30 December 2015.

State and Municipal Printed Media Go Private

As of 1 January 2016, printed mass media companies and editorial offices in printed mass media companies that were established and wholly, or partly, owned by state or municipal bodies, are subject to denationalization within the next three years.

Members of the labour collective of such companies/editorial offices have limited time to decide whether they would like to undergo this procedure and become shareholders of the respective media company to be found on the basis of the property used by their company/editorial office. If the labour collective does not decide to participate, the respective property of the media company/editorial office will be subject to privatization on general grounds.

Mandatory Certification of Agricultural Machinery is Abandoned

Agricultural Machinery is no longer subject to mandatory certification in Ukraine. Producers and importers are allowed to certify such machineries voluntary.[3]

New Hygienic Requirements for Dietary Supplements

On 24 January 2016 new hygienic requirements to dietary supplements came into effect.[4]

The new rule applies to dietary supplements supplied as dosed and packaged products to end consumers, and provides a list of vitamins and minerals approved for use in the production of dietary supplements. New requirements also apply to labeling and advertising of such products.

Dietary supplements not meeting the new hygiene requirements that are produced and/or put into circulation within 12 months prior to 24 January 2017 (the date the new rules come into force) are allowed to remain on the market until their validity term expires.

Minimum Salary Amount Increased from May 2016

Beginning 1 May 2016, the minimum salary amount will be increased from UAH 1,378 to UAH 1,450.[5] Until that time, the minimum salary rate of UAH 1,378 remains.

Minimum salary rate applies not only to employment, but also when determining certain social payments, calculating court fees and certain other compensations...

[3] Order of the Ministry of Economic Development and Trade of Ukraine "On Amending the List of Products which are subject to Mandatory Certification in Ukraine…" No.1699, dated 17 December 2015.

[4] The Order of the Ministry of Health of Ukraine "On Approval of Hygienic Requirements to Dietary Supplements" No.1114, dated 19 December 2013.

[5] Law of Ukraine "On 2016 National Budget of Ukraine", No. 928-VIII, dated 25 December 2015.

III. Corporate Law

New Applications for Business Registration

Beginning 13 January 2016, new applications for the registration of legal entities, individual entrepreneurs and social organizations are in effect.[6]

IV. Intellectual Property

New Ukrainian Versions of Intellectual Property Classifications

Beginning 1 January 2016, two new Ukrainian versions of the following international regulations on intellectual property enter into effect: the 10th Edition of the International Classification of Goods and Services for the Purposes of Registration of Marks (Nice Classification)[7] and the International Patent Classification (so called IPC-2016.1)[8].

The above Nice Classification and International Patent Classification will be used for the expertise of the applications on inventions, industrial designs, and trademarks registration, filed after 1 January 2016.

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[6] Order of the Ministry of Justice of Ukraine "On Approval of Applications for Registration of Legal Entities, Individual Entrepreneurs and Social Organizations" No.15-5, dated 6 January 2016.

[7] The Order of the State Intellectual Property Service of Ukraine "On Commencement of the Amendments to 2015-version of the 10-th Edition of the International Classification of Goods and Services for the purpose of Registration of Marks" No.218-n, dated 8 December 2015.

[8] The Order of the State Intellectual Property Service of Ukraine "On Implementation of the Ukrainian Version of IPC-2016.1" No.245-n, dated 30 December 2015.

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations nor should they be considered a substitute for taking legal advice.

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