

---

## Ukraine allows the nationalisation of assets of sanctioned persons

---

On 22 April 2022, the Ukrainian parliament adopted the Law of Ukraine No. 7194, which establishes the legal framework for nationalising assets of sanctioned persons within the period of martial law.

The law provides that sanctioned (i.e. blocked) assets of natural or legal persons can be nationalised in favour of the state upon the court's decision. The assets, which may be blocked and nationalised, are the assets owned or directly or indirectly controlled by the following persons (i.e., **Sanctioned Persons**):

- natural or legal persons whose actions caused a significant threat to the national security, sovereignty, or territorial integrity of Ukraine (including armed aggression or terrorist activities);
- natural or legal persons who significantly contributed to the mentioned illicit actions of other persons, including through funding of such persons;
- legal entities, the founder (e.g., participant, shareholder) or beneficiary of which is directly or indirectly the Russian Federation, other Russian residents within the meaning of the Law of Ukraine "On the Basic Principles of Forcible Seizure of Objects of Property Rights of the Russian Federation and its Residents in Ukraine".

The nationalisation of the blocked assets can be implemented subject to the following conditions:

- assets of the Sanctioned Persons have already been sanctioned (i.e. blocked) by the National Security and Defence Council of Ukraine;
- the nationalisation takes place during the period of martial law.

As a matter of procedure, the National Agency on Corruption Prevention (**NACP**) is entitled to file an application against the Sanctioned Persons with the High Anti-Corruption Court (**HACC**) seeking the nationalisation of blocked assets. A judge of the HACC shall consider this application within ten days upon its receipt by the court and render the decision granting or refusing the application.

The decision of the HAAC comes into effect within five days unless appealed by the NACP or the concerned person within the same period to the HACC's Appeals Chamber.

The HACC's Appeals Chamber considers the appeal within five days and may either dismiss the appeal, or change the HACC's decision, or revoke it, simultaneously rendering a new decision. The decision of the HACC's Appeals Chamber comes into force immediately after its issuance and is final and not subject to further appeal.

The court decisions on nationalisation of Sanctioned Persons' assets on the day of their coming into force are sent to the Cabinet of Ministers of Ukraine for the determination of the authority and the procedure for its enforcement. Importantly, the Ministry of Justice of Ukraine is entitled to ensure the enforcement of such decisions against the assets located or registered abroad.

The value of the nationalised assets is not reimbursed to the Sanctioned Persons.

The individuals who have notified the NACP of the blocked assets, which may be subject to nationalisation, will be under state protection and will not be legally responsible for the notification of the NACP regardless of possible violation of their official, civil, labour or other responsibilities or duties.

The law will come into force upon the President's signature and its official publication.

For more information on the martial and sanctions law regime, contact your CMS client partner or CMS experts:



**Olga Shenk**  
**Partner, Kyiv CMS CMNO**  
T +380 44 391 3377  
E [olga.shenk@cms-cmno.com](mailto:olga.shenk@cms-cmno.com)



**Roman Hryshyn-Hryshchuk**  
**Associate, Kyiv CMS CMNO**  
T +380 44 391 3377  
E [roman.hryshyn-hryshchuk@cms-cmno.com](mailto:roman.hryshyn-hryshchuk@cms-cmno.com)



**Oleksandr Protsiuk**  
**Counsel, Kyiv CMS RRH**  
T +380 44 5001718  
E [oleksandr.protsiuk@cms-rrh.com](mailto:oleksandr.protsiuk@cms-rrh.com)



**Diana Valyeyeva**  
**Associate, Kyiv CMS RRH**  
T +380 44 5001718  
E [diana.valyeyeva@cms-rrh.com](mailto:diana.valyeyeva@cms-rrh.com)