

CSDs: **AUSD (Ukraine), SSD (Ukraine)**

Date: 28 Mar 2011

SMI Markets: **Ukraine**CMIRR Markets: **Ukraine**

New Disclosure Requirements for Substantial Shareholders of Banks

The President signed Law No. 3024-VI on 11 March 2011, which amends certain laws regarding the regulation of banking activities in Ukraine. The new law is expected to increase the transparency of the shareholding structure of Ukrainian commercial banks as well as improve the reliability of the banking system.

The salient points of the amendments include:

- The minimum charter capital for Ukrainian commercial banks was increased to UAH 120 million (~ USD 15 million). Existing banks have five years to comply with this requirement.
- A new charter or any amendment to the charter of a commercial bank must be approved by the National Bank of Ukraine (NBU) prior to registration.
- A substantial shareholder (with at least 10% shareholding) of a bank must report to the bank and NBU when:
 - Transferring substantial shareholding to another party;
 - Reducing the substantial shareholding below 10%, 25%, 50% or 75%;
 - Transferring control of the bank to another party.
- The substantial shareholder of a bank must inform the NBU of any changes to its own shareholding structure and provide NBU with information on newly-appointed senior managers within a month of the change or appointment.
- The acquisition of a substantial shareholding in a commercial bank (10%, 25%, 50% or 75%) must be notified to the NBU and the bank three months in advance.
- Commercial banks must publish current information of substantial shareholders on their websites as well as NBU's website.
- Substantial shareholders in commercial banks must comply with the new transparency requirements and provide NBU with the relevant information within six months of the amendments becoming effective.

The new law is expected to take effect on 17 June 2011 (three months after official publication). The official announcement is available here: [Significant New Rules for Ukrainian Banks and their Shareholders](#)

CSD Risk Impact

AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = B

Flash Impact = Positive

The increase in the minimum capital requirement will improve the quality of the participating banks in the settlement system, and help mitigate the risk of default.

SSD (Ukraine)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk
Current Rating = A+
Flash Impact = Positive

The increase in the minimum capital requirement will improve the quality of the participating banks in the settlement system, and help mitigate the risk of default.

Market Information Impact

Ukraine

This information affects the data contained in the Market Entry Requirements sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Ukraine

Market Rating: BBB
Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk
Current Rating = BBB
Flash Impact = Positive

The increase in the minimum capital requirement will improve the quality of the participating banks in the settlement system, and help mitigate the risk of default.

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