



UABA NEWS UPDATE



DATE: December 1, 2010

Where Should The Next UABA Convention Be Held?

Join in the discussion on the *Members only* UABA discussion forum at:

<http://uaba.org/Default.aspx?pageId=793584&mode=MessageList&eid=439785>

The following are article posts that have recently appeared on the UABA website blogs. You are invited to visit our new redesigned website which we hope will spark your interest to become a member. We plan to expand our website publications in the future to make the site more interesting but we need your input and participation in our organization. If you are a member, please keep your membership status current; if you are not a member but are interested in our organization, then we invite you to please join. So please visit www.uaba.org !!

Cooperation Agreement is signed between Kyiv University of Law and the Ukrainian-American Bar Association (UABA)

Підписано угоду про співпрацю КУП НАНУ з Українсько-американською асоціацією юристів (США)

As reported by Kyiv University of Law

На запрошення Українсько-американської асоціації юристів (УААЮ) ректор КУП НАН України професор Юрій Бошицький відвідав з офіційним візитом США. Були проведені переговори щодо співпраці КУП НАНУ та цієї поважної організації американських правників.

Read entire article in Ukrainian [with photos] at <http://en.kul.kiev.ua/novini/pidpisano-ugodu-pro-spivpracju-kup-nanu-z-ukrajinsko-amerikanskoju-asociacieju-juristiv-ssha.html>

The Ghost of November Past!

Commentary by Myroslaw Smorodsky

President Yanukovych is experiencing a variation on the classic December tale “*A Christmas Carol*”. Rather than seeing a revelation about the true meaning of December’s Christmas, it is the prior events in the month of November that are giving him sleepless and frightening nights. The irony of the situation should not be ignored. In 2004, it was November’s Orange demonstrators that were in vogue on the “Maidan” [Kyiv’s central plaza that hosted the Orange Revolution] and denied Yanukovych the presidency of Ukraine. Now it is the Tax Revolution with small business owners from all political persuasions that have taken to the “Maidan” and are throwing a wrench into his allegedly “unassailable” administration.

One of Yanukovych’s lynchpin planks in his political program was purported tax reform. It was his Party of Regions that crafted the legislation and guided it carefully through Ukraine’s Parliament – the Verchovna Rada. Its passage was lauded by international political pundits and applauded by the EU as a step in the right direction paving the way for IMF financing of Ukraine’s deficit economy.

But “*A Funny Thing Happened On The Way To The Forum Maidan*”.

The Ukrainian middle class, small-business owners were outraged that the alleged “tax reform” gave preferential treatment to the rich oligarchs at their expense. Having no response from the legislators to their pleas, they did what all good Ukrainians do – they decided to demonstrate. So a tent city began to sprout on the Maidan. And now Yanukovich seems to have blinked first. He and his administration have stated that there is a strong probability that he will veto the legislation. We have yet to see whether these statements are accurate. If he does not veto the legislation, then we can anticipate that the tax revolutionaries, having drawn first blood, will escalate their occupation of the “Maidan” creating a critical showdown with the president – which many observers predict he will lose.

In any event, the present situation has clearly shown that Yanukovich is not a replica of Putin. Yanukovich’s administration is susceptible to the pressures of public opinion and his invincibility cloak has been compromised. This may foreshadow future Maidan showdowns if Yanukovich attempts to mimic the repressiveness of Ukraine’s neighbor to the north.

see RFE/RL reports on protests at

http://www.rferl.org/content/ukraine_tax_protest/2234226.html

As posted to the UABA website blog at

<http://uaba.org/Default.aspx?pageId=774425&mode=PostView&bmi=471338>

Controversial Tax Reform Headed For Veto In Ukraine

(AFP) – KIEV

Ukrainian President Viktor Yanukovich said on Saturday that he was likely to veto a controversial tax reform that has sparked the largest protests in the country since the 2004 Orange Revolution. "The likelihood of a veto is high," Yanukovich said during a meeting with a group of Kiev protesters composed of small business leaders. **Read entire article at** <http://uaba.org/Default.aspx?pageId=774425&mode=PostView&bmi=470193>

SEE YOUTUBE Video of tax protests in Kyiv

<http://www.youtube.com/watch?v=uCEhhlzyWqQ&feature=channel>

Draft Tax Code Brings Many International Changes

Sergiy Melnyk of Salans in Ukraine describes how the new draft tax code in Ukraine constitutes a significant departure from previous international tax provision in the country. **Read entire article at**

<http://uaba.org/Default.aspx?pageId=774425&mode=PostView&bmi=470192>

ED. NOTE: since the publishing of the article, the Ukrainian Parliament adopted the new tax code on November 18 which has sparked numerous demonstrations.

Ukraine's National Bank Requires Individual Licenses for Payments by Ukrainian Sureties to Foreign Creditors

BY *Armen Khachaturyan*, Senior Partner, Asters Law Firm, Kyiv

On 15 November 2010 the National Bank of Ukraine (the "NBU") issued an official clarification letter (the "Letter") regarding the currency restrictions applicable to payments by Ukrainian sureties and guarantors to foreign creditors under guarantee (garantiya) and surety (poruka) agreements. In the Letter the NBU explained that in order to make a payment to a foreign creditor a Ukrainian surety must obtain an individual license from the NBU unless the surety is an authorized bank or financial institution.

At the same time Ukrainian banks can make payments as guarantors or sureties without an individual license. Non-banking financial institutions do not need an individual license for such payments if they have a general license for transactions with foreign currency.

Read Article at <http://uaba.org/Default.aspx?pageId=774425&mode=PostView&bmi=469981>

Ukraine Strengthens its Anti-Corruption Laws

By Tatyana Tugolukova

(Salans)

Unfortunately, when doing business in Ukraine, foreign and Ukrainian companies are often faced with requests by public officials to provide “contributions,” “facilitation payments,” or worse, in order to accomplish routine work. Western companies are familiar with these issues as well as Ukrainian requirements. However, as of January 1, 2011, Ukraine’s legislation is significantly changing – for the better – in tackling these problems. Finally, the scope of corruption practices and prohibitions in Ukraine has been expanded, in large part because of Ukraine’s international obligations stemming from the UN Convention against Corruption and the Criminal Law Convention on Corruption, which Ukraine ratified in 2006.

Read Article at <http://uaba.org/Default.aspx?pageId=774425&mode=PostView&bmi=469500>

NOTE: All UABA news blogs have RSS feeds; these feeds deliver all new posts to the blogs immediately to your computer. You can easily subscribe to these RSS feeds in your Web Browser such as *Windows Internet Explorer* or in your email manager, such as *Outlook*.

If you have any questions, please feel free email myroslaw@smorodsky.com

Check out the new UABA website; WWW.UABA.ORG and become a member!