

### **The Law “On the principles of prevention and countering of corruption”**

From **1 January, 2010** the Law “On the principles of prevention and countering of corruption” (the “Law”) substitutes the Law of Ukraine "On Fighting Corruption".

The Law determines legal and organizational principles of prevention of corruption, detection and termination of its manifestations, resumption of the legal rights and interests of physical persons and legal entities, eliminating the consequences of corruption. Besides that, this Law also establishes the basic principles of prevention and countering of corruption in the public and private sectors of social relations, compensation of the damage caused by corruption offenses, resumption of violated rights, freedoms or interests of physical persons, rights or interests of legal entities, interests of the state.

The Law defines such terms as "benefit", "connected persons", "conflict of interest", "corruption", "corruption offense" and "gift". The document contains provisions on: measures of preventing and countering of corruption; types of liability for corruption offenses (criminal, administrative, disciplinary and / or civil law); measures to remediate the effects of corruption offenses; control for implementation of laws preventing and countering corruption; international cooperation in this field.

The new Law significantly increased the list of persons responsible for corruption offenses, as compared with the previous law “On Fighting Corruption”. In conformity with the new Law the persons liable for corruption offenses are:

- the President of Ukraine, Chairman of the Verkhovna Rada of Ukraine and his deputies, the Prime Minister of Ukraine and other members of the Government, the Prosecutor General of Ukraine, Chairman of the National Bank of Ukraine, Chairman of the Accountability Office, the Commissioner for Human rights of Verkhovna Rada of Ukraine, Chairman of Verkhovna Rada of the Autonomous Republic of Crimea, Chairman of the Council of Ministers of the Autonomous Republic of Crimea.
- the persons authorized to perform public or local self-government functions: auditors, notaries, experts, appraisers, arbitration managers, arbitrators, etc.
- the physical persons - entrepreneurs and legal entities.

The Law provides following features and novations:

- imposes a list of restrictions on the receipt of personal gifts by officials and limits the maximum amount of the gift (the value of a gift can not exceed the size of a single social tax benefits);
- in case of failure or submission of false data, a person cannot be appointed (elected) to an appropriate position in a public body, if the person has been already appointed – he must be dismissed;
- imposes restrictions applying to employment of connected persons. In particular, officials cannot have connected persons directly subordinated thereto or directly report to connected persons in exercising their duties. The person must notify the leadership of the agency he/she is seeking employment with, of any connected persons employed by this agency;
- features of the dismissal of persons who have committed corruption acts;
- imposes a list of restrictions aimed at the countering of corruption. Physical persons and legal entities are prohibited to fund government or local self-government bodies, including financial or non-financial assistance, perform work or render services free of charge, transfer funds and other assets.

Persons mentioned in the Law are obliged to submit real estate information, income and expense information, facts concerning financial liabilities, including those liabilities arising abroad, in order and amounts specified by laws. It's necessary to pay attention on Article 17, which provides the state protection of persons assisting with the prevention and countering of corruption.



A. Khvorost, Junior Associate of Jurvneshservice Law Firm  
Email: [A.Khvorost@jvs.com.ua](mailto:A.Khvorost@jvs.com.ua)  
[www.jvs.com.ua](http://www.jvs.com.ua)

If you have any general questions, suggestions or comments with regard to our DeveLAWpment™ service please contact us at: [DeveLAWpment@jvs.com.ua](mailto:DeveLAWpment@jvs.com.ua)

For any specific legal questions arising out of the content of the Newsletter please contact the author of each particular Newsletter.

Copyright © Jurvneshservice Law Firm 2008. All rights reserved. The information contained in the Newsletter may be shared, quoted or otherwise disseminated and/or reproduced provided that due reference to Jurvneshservice is made and its copyright is not violated.

**DISCLAIMER:**

The Newsletter is intended for general informational purposes only and does not constitute professional and/or legal and/or commercial advice on any matter whatsoever. Please note that each Newsletter may be applicable at the original mailing date only and shall not be used to construe or comment upon any other legal events or enactments, past, present or future, except for those expressly defined therein.