

Business set up in Ukraine

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Limited Liability Company

This short guide provides general information on the main legal requirements connected with and to be considered when setting up a business in Ukraine. Limited liability companies (LLC) are the most widespread form of commercial companies in Ukraine where the shareholders' liability is limited by their shares. The basic statutory requirements to the LLC are described below.

Foundation

LLC can be established by at least one person, either physical person or legal entity, irrespectively of their residency. Please note that LLC in Ukraine cannot be incorporated by a single legal entity which is owned by the only shareholder.

Share capital requirements

There is no minimum share capital requirement. Nevertheless, the question of initial business financing (until the profit is obtained) should be considered when decision is made concerning the amount of the share capital.

Incorporation procedure

The procedure of registration normally takes 1-2 weeks since the moment when all necessary documents have been provided by shareholders and constituent documents have been drafted. Please note that in case particular permissions (licenses) are required for company's types of activity, the term for the company to become fully operational will increase.

Registration requirements:

- Registered address in Ukraine (nominee registered address can also be used);
- A director – Ukrainian resident. Since a director is deemed as a company's employee and non-residents need to obtain a work permit which can only be issued after the company's registration, non-residents cannot be appointed as directors at the moment of the company's incorporation;
- Information on the company's shareholders as well as the information on ultimate beneficial owners – physical persons.

Documents required for the incorporation of the LLC:

- Resolution of shareholders to incorporate a company (in the form of minutes of meeting);
- Articles of Association;
- Identification documents for the shareholders and beneficial owners of the company (passport data for physical persons and extracts from the state registers for legal entities);
- Application for state registration.

Statutory reporting

Limited Liability Companies are required to submit month, quarter and annual tax returns and monthly returns on social contributions as well as annual financial statements.

Financing of the company's activity

The shareholders may finance the company by means of loans (which should be registered in the National Bank of Ukraine in case they are provided by non-residents) or by means of additional contributions to the share capital (registration of the amended Articles of Association is necessary).

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