



Business activities in Ukraine: Limited Liability Company

In Ukrainian law, business activities in Ukraine can be carried out by both Ukrainian and foreign legal entities. Foreign legal entities can get involved in business activities in Ukraine either by establishing a company or a representative office. A representative office can carry out marketing, promotional, and other auxiliary and preparatory functions on behalf of the company. It's not legally restricted for a foreign legal entity to have both a representative office and to establish a wholly-owned subsidiary at the same time.

The most common legal form in Ukraine is still considered a limited liability company (*товариство з обмеженою відповідальністю* or *TOV* in brief). Both natural and legal persons can be members of the TOV, though the total amount of the members is limited by law to 10 persons (otherwise the TOV has to be reorganized into the joint stock company). Under the company law one person company is also possible, provided that the member of such a TOV in its turn has more than one shareholder.

For purposes of ensuring company's activities and liability there must be established a share capital in the company, the minimum amount of which makes 100 minimal wages set by law. As of today, the minimal charter capital amounts to UAH 52 500, from January 1, 2009 it's supposed to be increased to UAH 60 500. Based on a daily practice, the minimal charter capital will keep increasing further.

TOV is deemed to be formed as of the day of its incorporation. For this purpose the state registrar must be delivered following documents:

- application form stating all essential information about TOV
- two copies of company's Articles of Association
- decision of the founders to form the company
- in case when a legal entity is a founder of the TOV - excerpt from the trade or court register (as the case may be) from its country (must be certified by the local notary and legalized)
- receipt acknowledging payment of the registration fee (UAH 170)

The submittals are considered within 3 business days. On the registration of the TOV, the registrar gives a certificate of incorporation. The certificate is conclusive evidence that the TOV is duly registered under Ukrainian laws.

The incorporated company must subsequently be registered with the state statistics office, tax authority and social security funds.

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