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The National Bank of Ukraine and the National Securities and Stock Market Commission signed a Memorandum of understanding on development of capital markets infrastructure in Ukraine. What goals did regulators set? How does the signing of this memorandum contribute to the development of the capital market infrastructure in general?



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The Memorandum of understanding on development of capital markets infrastructure recently signed between the National Bank of Ukraine and the Securities Commission in general terms sets out an ambitious framework for future cooperation between regulators. If properly implemented, the goals set in the Memorandum should indeed upgrade the market infrastructure, bringing it closer to those that exist in developed jurisdictions.

According to the Memorandum, the regulators intend to modify the core of the capital markets settlement system by, in particular, upgrading the technology of the National Depository of Ukraine (NDU) and inviting a strategic investor into the NDU and the Settlement

Center. This should increase basic trust in Ukrainian capital markets, which, in turn, should attract new money. Technology upgrading has become especially important in the context of the recent cyber attack resulting in trading being suspended for two days.

Other important goals set out in the Memorandum include: (i) consolidation of the Depository of the National Bank of Ukraine with the NDU, (ii) establishment of a “light” central counterparty in Ukraine, and (iii) establishment of fully functional relations with foreign capital market institutions (e.g., international central securities depositories, international central counterparties and global custodians).”

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Parliament approved a new version of the Draft Law of Ukraine *On the Constitutional Court of Ukraine No. 6427-đ* at the third attempt. Please comment on this law. Does it contain controversial provisions, and what, in your opinion, was left without attention?



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On 22 June, 2017, the Verkhovna Rada of Ukraine adopted in the first reading the Draft Law *On the Constitutional Court of Ukraine* (hereinafter — the *Law on CCU*).

Among the novelties of the draft law, in comparison with the current law, are provisions about a constitutional complaint. The constitutional complaint is a new institution for Ukrainian constitutional law, which appeared with the introduction of amendments to the Constitution of Ukraine in 2016 and which provides a person with the possibility to file a complaint with the Constitutional Court of Ukraine (hereinafter — the Court) if he/she believes that the law of Ukraine applied in the final court decision in his/her case is contrary to the Constitution of Ukraine.

According to the draft law, it is also proposed to create a new organizational structure of the Court (the Grand Chamber, two Senates and six colleges). The structure is intended to facilitate

consideration of constitutional complaints by the Court, since it is the two senates that will consider complaints. Thus, one of the possible problems may be the Court’s inability to ensure timely consideration of all the complaints filed, since a large influx thereof is expected to appear before the Court. Although the draft law proposes to increase the number of scientific advisers of every single one of the Court’s 18 judges from 1 to 2, this may not be sufficient.

Another thing which is also drawing attention is the possibility for the Court to take interim measures to ensure a constitutional complaint through a restraining order.

The draft does not provide for appeals against decisions approved by the two Senates, though alternative laws have the possibility of such an appeal to the Court itself, but to the equivalent of the Grand Chamber (the entire composite of the Court).