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Resolution No. 133 of the National Bank of Ukraine is aimed at the implementation of the amendments to the *Civil Code of Ukraine* adopted back in 23 March 2017 intro-

**Resolution No. 133 of the National Bank of Ukraine introduced the procedure for the opening of escrow accounts by banks. What opportunities will business receive with the adoption of this document?**

ducing escrow accounts as a new type of accounts available for the clients of Ukrainian banks. The fact that only banks are allowed to act as escrow agents in Ukraine makes us stand out among many other countries, where law firms, business advisors, trustees can also render escrow services.

Resolution No. 133 specifies the know-your-customer checks to be performed by a local bank opening an escrow account and limits the types

of operations for which an escrow account can be used. In particular, the know-your-customer checks are similar to the checks performed by banks prior to opening a customary account (current or deposit) for a client. Although the rules established by Resolution No. 133 are technical, their absence has proved to be one of the obstacles preventing Ukrainian banks from rendering escrow services.

In overall terms, the aforementioned changes

represent a good example of the legislative and regulatory reforms in Ukraine. However, these rules are yet to be tested in practice. On the one hand, their implementation may simplify structuring transactions involving escrow services. On the other hand, the instability in the domestic banking sector is frequently mentioned as the main factor that discourages Ukrainian companies from dealing with local banks as escrow agents.



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Ukrainian President Petro Poroshenko has initiated the procedure for elaboration of the Draft Law *On the Supreme Anti-Corruption Court*, which was intended to finalize and supplement state policy on combating corruption by creating a specialized court

**The Verkhovna Rada of Ukraine has registered two alternative Draft Laws, namely No.7440-1, 7440-2, to the “presidential” Draft No.7440. What are the main differences between these Drafts?**

that would more quickly and efficiently consider cases investigated by another newly-made body, the National Anti-Corruption Bureau of Ukraine (NABU).

The Draft Law was registered with the Verkhovna Rada under No.7440 on 22 December 2017. The Draft wording caused heavy criticism, including that on the part of the International Monetary Fund, which expressed its opinion that the Draft was imperfect and failed to comply with recommendations of the Venice Commission.

Over some time, two Draft Laws, No. 7440-1 of 27 December 2017 and No. 7440-2 of 5 January 2018, which are claimed to be alternatives to the presidential one, were registered with the Parliament.

At the same time, Draft Law No.7440-2 is simply a duplicate of Draft Law No. 7440-1 and does not contain any new information content, which raises doubts as to the reasonability of its submission.

Regarding Draft Law No.7440-1, so, generally speaking, it's almost no different from the presidential one.

The MP submitting it has introduced some amendments only in respect of comments made by the IMF; at the same time these amendments are imperfect and require further revision. In particular, the Draft Law grants a certain special status to judges of the Supreme Anti-Corruption Court, which contradicts the objective and content of the relevant Draft Law.

So far, the lack of a worthy legislative initiative that would satisfy the high demands placed on the creation of the Supreme Anti-Corruption Court can be noted.