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Despite a number of positive novelties recommended in Draft Law No.4546 *On Amendments to Some Legislative Acts of Ukraine to Improve Mechanisms of Withdrawing Banks from the Market and Granting Claims of Creditors of These Banks*, some of them are rather debatable.

Parliament adopted Draft Law No. 4546, which improves the mechanisms for withdrawing banks from the market and granting claims by the creditors of such banks. How much do the adopted amendments differ from the previous version?

In particular, the Draft Law recommends alteration of Article 52 of the Law of Ukraine *On the System of Insurance of Individuals' Deposits* (hereinafter — the Law), which authorizes the Fund to file a claim on damages inflicted upon creditors against persons who are liable for such damages even after termination of an insolvent bank as a legal entity.

Respective amendments will also be made to procedural codes which enshrine that proceedings in a case of reimbursement of damages initiated by the DGF, acting in the interests of the non-solvent bank or creditors of such a bank, even in the event of its termination as a legal entity, may not be ceased.

First and foremost, it should be remembered that the powers of the DGF with regard to a problem bank arise solely on the grounds of a respective decision adopted by the regulator and within the current procedure of withdrawing the bank from the market. At the same time, the Law does not spell out that the DGF is delegated powers to act in the interest of the bank beyond the procedure of withdrawing the bank from the market, and neither does it envisage the possibility to introduce such procedures with regard to the terminated bank.

Moreover, of rather debatable nature is the Draft vesting the DGF with the right to ad-

dress persons who, in accordance with legislation, are held liable for damages (losses) inflicted on creditors. To reimburse damages inflicted upon the creditor by unlawful acts carried by persons related to the bank is an exclusive right of such a creditor, which may not be assigned without a respective juristic act with the creditor.

In my opinion, in order to avoid legal collisions, it would be more appropriate to introduce a regulation which would enable the DGF to continue liquidating the bank until all processes related to this procedure, including recovery of losses inflicted upon creditors or banks due to the acts of third persons, are complete.



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Draft Law No. 2713-d *On Amendments to the Tax Code of Ukraine on Taxation of Income from the Organization and Conduct of Gambling and Lotteries* has been adopted in its first reading by the Verkhovna Rada. Its key provisions focus on the impact for business and the economy.

Following the resolution on lifting the ban on gambling,

The Ukrainian Parliament adopted Draft Law No. 2713-d in its first reading, which can reduce taxes paid by gambling businesses. What are the main ideas behind the Draft?

Draft Law No. 2713-d has been developed to regulate taxation and stimulate the development of legal gambling to finally withdraw its funds from the shadow market.

Draft Law No. 2713-d aims to bring the following changes to the *Tax Code of Ukraine*:

- to tax the income from the organization and conduct of gambling, activities for the issuance and conduct of lotteries at a rate of 10% (by comparison, current legislation provides for taxation at 18% income tax on bookmaking, gambling (including casinos), 10% income tax on gambling using slot machines, 30% income tax on issuing and conducting lotteries). Thus, accrued income tax reduces the financial result that is subject to profit tax.

- to abolish personal income tax on prizes in gambling or lottery, the amount of which do not exceed 8 minimum wages set for January 1 of the relevant calendar year (UAH 48,000 as of 1 January 2021).

Draft Law No. 2713-d also aims to abolish the triple fee for licenses to organize and conduct bookmaking activities, online casino gambling, as well as to cancel the annual triple fee payable for slot machines.

Taking into consideration the explanatory note, the reduction in the tax burden on the gambling business is explained by comparison with EU practice, where a balanced system of taxation of activities related to the organization and conduct of gambling has been formed. Yet, gross gaming rev-

enue (GGR) at the rate of 10% in Ukraine would be one of the lowest in Europe.

Reducing taxes on the creation and conducting of gambling definitely makes it more accessible as a business. Adoption of Draft Law No. 2713-d may lead to an increase in budget revenues in the long run together with the growth of casino chains around the country. Thus, Draft No. 2713-d raises profound questions, ones that are undoubtedly in the public interest to be answered, as to how it would bring such a high degree of benefit to national business or the economy, when the evidence of the social damage of addiction to gambling being inflicted on the public is so obvious and should be of concern to us all.