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NOTE

NEGOTIATING CHAPTER “FREE MOVEMENT OF CAPITAL”: WHAT NEEDS TO BE DONE TO BRING UKRAINE’S ACCESSION TO THE EU CLOSER?

PREPARED BY:

Yana Okhrimenko, Senior Economist at CES

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1. KEY POINTS

“Free Movement of Capital” is Chapter 4 of Ukraine’s EU accession negotiations. The principles of the EU free market envisage full liberalisation of international capital mobility within the internal market. In addition, a number of EU directives and regulations ensure safety and transparency.

In this note, we analyse the main differences between the European acquis, which ensures the free movement of capital and provides conditions for it, and Ukrainian legislation and formulate appropriate recommendations.

2. URGENT RECOMMENDATIONS OF THE EUROPEAN COMMISSION

According to the European Commission’s 2023 report¹, Ukraine is between some and moderate levels of preparation for accession² under negotiating Chapter 4, “Free Movement of Capital.”

The Commission notes that barriers to capital movement in Ukraine existed even before the start of the full-scale Russian invasion. Moreover, currency restrictions introduced by the NBU in March 2022 contradict the provisions of the Association Agreement.³ Nevertheless, the Commission’s report does not call for the removal of formal restrictions on the free movement of capital before the end of the war. Instead, the recommendations for 2024 focus on creating a safe and efficient infrastructure that will provide opportunities for the free movement of capital in the future (i.e., what Ukraine is capable of doing even in wartime conditions without compromising financial stability):

- to continue preparations to apply for the Single Euro Payments Area (SEPA);
- to continue the alignment of Ukrainian legislation and institutional practices with the FATF standards;
- to take steps to establish a Register of bank account holders and beneficial owners, as well as holders of payment accounts and safe-deposit boxes.

Despite the fact that in 2024, Ukraine made certain progress (especially in the areas of currency restrictions liberalisation and preparation for SEPA membership), the recommendations for the next year have not undergone significant changes:

- to continue preparations to apply for the Single Euro Payments Area (SEPA);
- in line with the Ukraine plan, to prepare and implement the next National Risk Assessment in accordance with the updated methodology for the national assessment of money laundering and terrorist financing risks in Ukraine;
- to take steps to set up a unified registry of bank accounts for natural persons and legal entities in line with the EU acquis and complement legislation on beneficial ownership registration for all types of corporate and legal entities in Ukraine, including trusts.

¹ [Ukraine Report 2023 – European Commission \(europa.eu\)](#)

² The EC uses an ordinal scale to assess readiness: early stage, some level of preparation, moderately prepared, good level of preparation, and well advanced.

³

In this section, we examine in detail the progress in joining SEPA, as well as the implementation of European regulations on counteracting money laundering and beneficial ownership registration.

2.1. JOINING SEPA

SEPA, or the Single Euro Payments Area, is an initiative of the European Union introduced in 2008. Its goal is to simplify and harmonise electronic payments in euros. At present, SEPA includes 36 countries: 27 EU member states, as well as the United Kingdom, Iceland, Norway, Liechtenstein, Switzerland, Monaco, San Marino, Andorra, and Vatican City.

SEPA allows natural persons and legal entities to transfer euros between bank accounts and automatically debit funds from customers' accounts for recurring payments, such as utility bills. It also standardises the acceptance of card payments within the zone. The overall idea is to make cross-border payments as convenient and accessible as internal ones.

The regulatory framework of SEPA is quite complex and partly overlaps with the negotiating chapter "Financial Services"⁴ (mainly concerning the regulation of payment services).

The Ukrainian law "On Payment Services"⁵ and several NBU regulations⁶ (particularly the transition to ISO 20022 standards⁷) have significantly aligned Ukrainian legislation in the field of payment services regulation with European standards. This has allowed the NBU to begin negotiations on Ukraine's accession to SEPA at the beginning of 2024. However, FISMA⁸ conditions accession to strengthen prudential requirements for Ukrainian banks⁹ (note that these changes are only planned to be introduced in the EU¹⁰).

The roadmap for developing the National Bank of Ukraine's electronic payment system (EPS)¹¹ envisages a series of steps for 2024–2027, including implementing cross-border EPS transfers with EU countries that are part of the Single Euro Payments Area (SEPA) and implementing an auxiliary service for initiating customer payments via phone number or email (similar to SEPAProxy Lookup).

⁴ See the CES study on the negotiating chapter "Financial Services."

⁵ [On Payment Services](#)

⁶ [Regulation on the Procedure for Authorising the Activities of Financial Payment Service Providers and Limited Payment Services](#); [Regulation on the Procedure for the Issuance and Acquiring of Payment Instruments](#); [Regulation on the Engagement of Commercial Agents for the Provision of Financial Payment Services](#); [Regulation on the Procedure for Oversight of the Payment Infrastructure in Ukraine](#); [Regulation on the Disclosure of Information by Non-Bank Payment Service Providers](#); [Regulation on the National Bank of Ukraine Sanctions for Violations of Legislation Regulating Activities in the Payment Market](#); [Regulation on the Issuance of Electronic Money and the Execution of Payment Operations with It](#); [Regulation on Additional Requirements for Contracts for the Provision of Payment Services Concluded by Non-Bank Payment Service Providers with Consumers](#); [On Establishing Requirements for the Provision of Limited Payment Services](#); [Instruction on the Execution of Interbank Payment Transactions in Ukraine in the National Currency](#); [Regulation on the Procedure for Issuing Licences for Foreign Exchange Transactions](#); [Regulation on Conducting Inspections of Non-Bank Payment Service Providers and Providers of Limited Payment Services](#); [Regulation on Authentication and the Application of Enhanced Authentication in the Payment Market](#); [Rules for the Storage, Protection, Use, and Disclosure of the Payment Service Provider Confidential Information](#).

⁷ [On the Implementation of the International Standard ISO 20022 in Ukraine's Payment Infrastructure](#)

⁸ DG FISMA (Directorate-General for Financial Stability, Financial Services and Capital Markets) plays a key role in implementing the European Union's policy on ensuring the stability of the financial system, developing financial services, and integrating capital markets.

⁹ For details, see the CES study on the negotiating chapter "Financial Services."

¹⁰ [Monitoring of banking and finance directives – European Commission \(europa.eu\)](#)

¹¹ [Implementation of the ISO 20022 standard](#)

Ukraine may become a member of SEPA even before joining the EU, as the main condition for participation is compliance with SEPA's technical, legal, and regulatory standards, as well as concluding relevant agreements with the European Payments Council (EPC). SEPA membership will significantly reduce transaction costs and facilitate integration into the internal market of the Union.

2.2. PROGRESS IN COMPLIANCE WITH FATF STANDARDS

The Financial Action Task Force (FATF) sets international standards for combating money laundering, terrorist financing, and other threats to the integrity of the international financial system. The EU implements these standards into its own legislation to ensure a coordinated approach to preventing financial crimes. Below, we will examine the main EU regulations in the context of preventing money laundering and its criminal use (see details in Annex 1).

In Ukraine, the Law “On Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction”¹² serves as the legal framework for combating money laundering and terrorist financing. The law was amended at the end of 2023 to align its terminology with international standards and improve the risk-based approach to business relationships with politically exposed persons.¹³ A number of regulations¹⁴ have been adopted to elaborate on certain provisions of the law. In addition, the recent resolution of the NBU Board¹⁵ strengthened the NBU's supervisory powers and extended them to non-financial institutions, better aligning Ukrainian legislation with European standards.

The draft law “On Amendments to Certain Laws of Ukraine on Adaptation of Ukrainian Legislation to Certain Standards of the Financial Action Task Force (FATF) on Money Laundering”¹⁶ was registered in September

¹² [On Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction](#)

¹³ [On Amendments to the Law of Ukraine “On Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction” Concerning Politically Exposed Persons](#)

¹⁴ [On Approving the Procedure for Electronic Interaction of Information Systems of the State Tax Service of Ukraine and the State Financial Monitoring Service of Ukraine regarding the Provision of Information on Natural Persons' Income Necessary for Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction](#), [On Approving the Procedure for the State Financial Monitoring Service of Ukraine To Issue Decisions \(Instructions\) on the Suspension of Financial Transactions](#), [On Approving the Regulation on the Implementation of Financial Monitoring by Primary Financial Monitoring Entities Regulated and Overseen by the National Securities and Stock Market Commission](#), [On Approving the Procedure for Providing Information on the Tracking \(Monitoring\) of Financial Transactions](#), [On Approving the Procedure for Applying the Common Standard on Reporting and Due Diligence for Financial Account Information](#), [On Approving the Procedure for Oversight in the Field of Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction over the Activities of Primary Financial Monitoring Entities Regulated and Overseen by the Ministry of Finance, Ministry of Justice, and the Ministry of Digital Transformation](#), [On Approving the Procedure for the Collection, Processing, and Analysis of Information on the Activities of Financial Monitoring Entities and Other State Bodies Involved in the System of Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction](#), [Approval and Publication of the Results of the National Risk Assessment and Implementation of Measures Based on Its Results](#), [On Approving the Procedure for the Formation and Publication of Comprehensive Administrative Reporting in the Field of Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction](#).

¹⁵ [On Amendments to Certain Regulations of the National Bank of Ukraine Concerning Oversight Matters](#)

¹⁶ [The draft law record for the Draft Law “On Amendments to Certain Laws of Ukraine on Adaptation of Ukrainian Legislation to Certain Standards of the Financial Action Task Force \(FATF\) on Money Laundering”](#)

2023. The draft law provides, in particular, for the expansion of the oversight and regulatory powers of the NSSMC, as well as setting out the liability for violations of sanctions.

In general, Ukrainian anti-money laundering legislation is in line with the key FATF recommendations.

2.3. BENEFICIAL OWNERSHIP, REGISTER FOR HOLDERS AND BENEFICIAL OWNERS OF BANK ACCOUNTS, PAYMENT ACCOUNTS AND SAFE-DEPOSIT BOXES

The ultimate beneficial owner is a natural person who owns or controls the legal entity, trust or other organisation and actually benefits from their activities.¹⁷ Provisions on ultimate beneficial ownership originate from EU legislation aimed at combating money laundering (details are presented in the following section).

The Law “On Amendments to Certain Laws of Ukraine Regarding the Improvement of Regulation of Ultimate Beneficial Ownership and Ownership Structure of Legal Entities”¹⁸ was adopted in 2022 to simplify the submission of information about ultimate beneficial owners and ownership structures, establish a mechanism for verifying such information by state registrars, create a system of methodological assistance for determining ultimate beneficial owners and ownership structures of legal entities, and so on. In 2023, the Ministry of Justice supplemented the aforementioned law with a number of regulations.¹⁹ In addition, the Cabinet of Ministers and the National Bank of Ukraine jointly approved the methodology for determining the ultimate beneficial owner.²⁰ Thus, the implementation of the procedure for verifying the ultimate beneficial owner was postponed until 1 September 2024.²¹

EU legislation sets out clear requirements regarding the form and content of ownership structures, allowing for the identification and verification of ultimate beneficial owners. The Ministry of Finance²² and the NBU²³ approved the regulations on the form and content of the ownership structure in 2021. However, according to European standards (and recent changes in Ukrainian legislation), the NSSMC also has oversight and

¹⁷ For details, see [Directive – 2015/849 – EN – AML Directive - EUR-Lex \(europa.eu\)](#) (Article 3(6)).

¹⁸ [On Amendments to Certain Laws of Ukraine Regarding the Improvement of Regulation of Ultimate Beneficial Ownership and Ownership Structure of Legal Entities](#)

¹⁹ [On Approving the Procedure for a Legal Entity To Provide Explanations and/or Documents To Confirm Information about the Ultimate Beneficial Owner and/or the Ownership Structure of the Legal Entity, as well as the Procedure for Their Consideration, On Approving the Procedure for the Holder of the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations To Transfer Information about Discrepancies between the Information on Ultimate Beneficial Owners and/or the Ownership Structure of a Legal Entity Obtained by the Primary Financial Monitoring Entity as a Result of Due Diligence of the Legal Entity, and the Corresponding Information Placed in the Said Register, and about the Primary Financial Monitoring Entity That Identified Such Discrepancies, to the Specially Authorised Body](#) (effective from September 1, 2024), [On Approving the Procedure for Notifying the Holder of the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations about the Identification of Discrepancies between the Information on Ultimate Beneficial Owners and/or the Ownership Structure of a Legal Entity Obtained by the Primary Financial Monitoring Entity as a Result of Due Diligence of the Legal Entity, and the Information Placed in the the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations](#) (in effect since 1 September 2024), [On Approving the Procedure for Taking Action against and the Procedure for Determining the Amount of Fines for Violations in the Field of State Registration of Legal Entities, On Approving the Procedure for Verifying the Information Provided by a Legal Entity in the Explanation and Documents To Confirm Information about the Ultimate Beneficial Owner and/or the Ownership Structure of the Legal Entity.](#)

²⁰ [On the Approving the Methodology for Determining the Ultimate Beneficial Owner by a Legal Entity](#)

²¹ [The implementation of procedures for verifying ultimate beneficial owners is postponed until 1 September 2024 \(minjust.gov.ua\)](#)

²² [On Approving the Regulation on the Form and Content of the Ownership Structure](#)

²³ [On Approving the Regulation on the Requirements for the Ownership Structure of Financial Service Providers](#)

regulatory powers to combat money laundering and terrorist financing. The NSSMC approved the regulation on the form and content of the ownership structure at the end of February 2024 (the regulation will come into effect 90 days after the termination of martial law).²⁴

Despite certain progress in implementing EU legislation on beneficial ownership, the establishment of the Register for holders and beneficial owners of bank accounts, payment accounts, and safe deposit boxes will require further steps. It is important to ensure that legislation is harmonised with European standards, in particular in the areas of data protection, transparency, and banking secrecy. Additionally, bylaws must be adopted to define the technical and administrative aspects of the registry.

3. IMPLEMENTATION OF THE EUROPEAN ACQUIS

In addition to implementing the recommendations of the European Commission described in the previous section, Ukraine needs to introduce a number of other legislative reforms to align legislation in the area of ensuring the free movement of capital with the European acquis.

Article 67 of the Treaty on the Functioning of the European Union²⁵ stipulates the obligation to ensure the free movement of capital. However, the safe and effective functioning of a zone for free movement of capital requires unified regulation. Thus, the European acquis in this area is being updated and expanded all the time. Drawing on the experience of other candidate countries, as well as explanatory sessions of the European Commission, we have identified the main areas of European law in terms of ensuring the free movement of capital:

- The foundations of the free movement of capital in the EU and its legislative restrictions in Ukraine
- Ensuring the functioning of the single payment system
- Preventing criminal practices (terrorist financing and money laundering).

3.1. BASIC PRINCIPLES OF FREE MOVEMENT OF CAPITAL IN THE EU

Directive 88/361²⁶ enshrines and elaborates on the principle of free movement of capital in the EU countries, as defined in the Treaty on the Functioning of the European Union. In particular, this regulation:

- Defines various categories of capital movements that are subject to full liberalisation within the economic union (see Annex 2). The list covers almost all “traditional” current account and capital account transactions.
- Defines the circumstances under which Member States may impose restrictions on the free movement of capital: if short-term capital movements of exceptional magnitude impose severe strains on foreign exchange markets and lead to serious disturbances in the conduct of a Member State’s monetary and exchange rate policies, being reflected in particular in substantial variations in domestic liquidity, the Commission may, after consulting the Monetary Committee and the Committee of Governors of

²⁴ [On Approving the Regulation on the Form and Content of the Ownership Structure](#)

²⁵ [Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union](#)

²⁶ [Directive – 88/361 – EN – EUR-Lex \(europa.eu\)](#)

Central Banks, authorise that Member State to take protective measures to the capital movements, the list of which includes:

- operations in securities and other instruments normally dealt in on the money market;
 - operations in current and deposit accounts with financial institutions;
 - investment activities in securities or instruments normally dealt in on the money market;
 - short-term financial loans and credits;
 - movement of securities normally dealt in on the money market and means of payment;
 - other short-term operations similar to those listed above.
- Introduces oversight and reporting mechanisms.
 - Prohibits restrictions on the free movement of capital between EU Member States and between Member States and non-EU countries.

As of 2021, the level of capital liberalisation in Ukraine was much lower than that of other EU candidates (not to mention EU members). The new restrictions introduced due to the martial law have further deepened this gap. However, Ukrainian legislation does not create any obstacles to post-war liberalisation.

The Law of Ukraine, “On the Foreign Investment Regime,”²⁷ establishes a national regime for foreign investors, which means they have equal rights to domestic investors and are guaranteed the right to transfer income and profits abroad. Certain aspects of the law – in particular, provisions on establishing special conditions for investments, expropriation, and dispute resolution – require further clarification regarding the transparency of procedures.

However, current restrictions on the sale of agricultural land in Ukraine may be potentially interpreted as a violation of Article 1 of Directive 88/361.

Foreigners may purchase residential properties in Ukraine on both the primary and secondary markets without significant complications (unlike some new EU member states that have imposed restrictions on residential property acquisition after accession, as noted below). However, certain restrictions apply to the acquisition of non-agricultural land. Foreigners may acquire land within settlements or provided that real estate owned by a foreigner is located on the land. At the same time, foreigners may not acquire agricultural land.²⁸

The moratorium on the sale of agricultural land in Ukraine ended on 1 July 2021. Only natural persons could now purchase it, and the ownership limit was set at 100 hectares per person. On 1 January 2024, legal entities also gained the right to purchase agricultural land, and the ownership limit increased to 10,000 hectares.²⁹

²⁷ [On the Foreign Investment Regime](#)

²⁸ “Foreigners and stateless persons may acquire ownership rights to non-agricultural land plots within settlements, as well as non-agricultural land plots outside settlements, on which real properties privately owned by them are located” – Article 81. At the same time, “Foreigners, stateless persons, and legal entities are prohibited from acquiring shares in the statutory (contributed) capital, stocks, shares, membership in legal entities (except in the statutory contributed) capital of banks) that own agricultural land. This paragraph shall cease to be in effect subject to and from the day of approval at a referendum of the decision specified in the eighth paragraph of this section. The acquisition of ownership rights to agricultural land plots by legal entities established and registered under the legislation of Ukraine, whose participants (founders) or ultimate beneficial owners are persons who are not citizens of Ukraine, may be carried out subject to and from the day of approval of such a decision at a referendum” – Article 130 of [the Land Code of Ukraine](#).

²⁹ Article 130 of [the Land Code of Ukraine](#).

EU law does not provide an exemption for agricultural land; it is also subject to Directive 88/361 on the free movement of capital. However, most “new” EU member states restrict the acquisition of land by foreigners from third countries. New EU member states are mostly allowed to restrict land sales to foreigners during a so-called “transition period” to allow landowners to adjust to the new, higher real estate prices in the EU. For example, Czechia, Hungary, and Poland banned citizens of other EU member states from purchasing secondary (i.e., non-primary) residences for five years. In addition, Czechia, Estonia, Hungary, Latvia, Lithuania, and Slovakia were granted the right to impose a seven-year ban on EU citizens purchasing agricultural and forest land (Hungary also succeeded in extending this ban to include not only natural persons but also legal entities). Upon the completion of the transition period, some new EU member states changed their national legislation to maintain barriers to real estate acquisition by foreigners. For example, in 2014, Slovakia introduced the right of first refusal for purchasing agricultural land for its citizens; only if they refuse may citizens of other EU member states purchase the land plot (however, they must have lived in Slovakia for at least 10 years). In the same year, Romania granted co-owners, tenants, neighbouring owners, and the state the right of first refusal to purchase land. In 2015, Poland introduced a rule requiring foreign purchasers to obtain approval for acquiring land (regardless of its designation) from the National Agricultural Property Agency (in practice, this means a significant delay in the purchasing process and places foreign buyers at a disadvantage compared to Polish citizens).³⁰

The European Economic and Social Committee (an advisory body of the EU) has noted that restrictions on the acquisition of agricultural land are asymmetrical, undermining the functionality of the internal market. In 2016, the European Commission urged Bulgaria, Hungary, Lithuania, Latvia, and Slovakia to abolish regulations that discriminate against foreign investors. However, this was only partially achieved.³¹

In conclusion, current restrictions on the purchase of agricultural land by foreigners in Ukraine are fully compatible with the “transition period” conditions that the EU offered to less developed candidate countries from Central and Eastern Europe at the time of their accession. Moreover, most of the aforementioned countries still apply restrictions that are not entirely compatible with the principle of free movement of capital.

At the same time, none of these countries introduced a strict ban on the acquisition of agricultural land by foreign legal entities and natural persons. Under EU policy, such a ban is considered justified only in exceptional cases, including in the absence of a legal framework or administrative capacity to prevent likely and significant risks. Under martial law, lifting the moratorium can hardly be called expedient; however, this issue will undoubtedly be on the agenda after the war is over.

³⁰ Ciaian, P., Falkowski, J., Drabik, D., Kancs D. (2017). New regulations governing land sales in Central and Eastern Europe: Imposing restrictions via particularised institutions. EUR 28088 EN, Publications Office of the European Union, Luxembourg, 2017, ISBN 978-92-79-61640-2, doi: 10.2788/246007

³¹ Godžirov, I. (2020). Restrictions on the Acquisition of Certain Categories of Real Estate in Relation to the Basic Market Freedoms in the European Union. EU AND COMPARATIVE LAW ISSUES AND CHALLENGES SERIES (ECLIC), 4.

3.2. THE FUNCTIONING OF THE SINGLE PAYMENT SYSTEM

The key directives and regulations in this area are listed below (for details, see Annex 1).

- **Directive 2009/110**³² establishes rules regarding the taking up, pursuit and prudential supervision of the business of electronic money-issuing institutions. It defines the categories of institutions entitled to issue electronic money, including credit institutions, electronic money institutions, post office giro institutions, central banks, and government authorities that are not acting as monetary or public authorities.

In Ukraine, a similar regulation has been introduced by the Law “On Payment Services,”³³ which came into effect in 2022. The law defines the concept of electronic money, establishes the procedure for its issuance and use, and regulates the activities of electronic money issuers, including both banks and non-bank financial institutions. In addition, the NBU approved the Regulation on the Issuance of Electronic Money and the Execution of Payment Transactions with It,³⁴ which details procedures and requirements for issuers.

- **Directive 2015/2366**³⁵ (also known as the Second Payment Services Directive) significantly expanded the regulatory framework of the previous payment services legislation to enhance the integration and efficiency of SEPA; in particular,
 - it extended regulation to new services, such as payment initiation services and account information services, provided by third-party payment providers;
 - it extended regulation to transactions where only one of the PSPs is located within the EU (unilateral transactions) and to all currencies, not just the euro;
 - it retained the provision on passporting, allowing authorised payment service providers to operate in all EU member states;
 - it strengthened security requirements.

³² [Directive – 2009/110 – EN – EUR-Lex](#)

³³ [On Payment Services](#)

³⁴ [On Approving the Regulation on the Issuance of Electronic Money and the Execution of Payment Transactions with It](#)

³⁵ [Directive – 2015/2366 – EN – Payment Services Directive – EUR-Lex \(europa.eu\)](#)

The Law of Ukraine, “On Payment Services,”³⁶ introduced a similar regulatory framework in Ukraine. Taken together with the set of NBU regulations,³⁷ the aforementioned law complies with the main provisions of Directive 2015/2366 and the regulations supplementing it.³⁸

- **Regulation 2021/1230** (codification)³⁹ establishes rules on cross-border payments and the transparency of currency conversion charges within the Union. In particular, the regulation obliges payment service providers to inform consumers about the applicable currency conversion charge prior to initiating the payment transaction and to communicate clearly and comprehensibly the estimated total amount of the transaction in the currency of the payer’s account and in the currency used by the payee. Ukrainian legislation does not contain specific provisions that would require payment service providers to inform consumers about currency conversion charges before the transaction, as stipulated by Regulation (EU) 2021/1230.
- **Regulation 260/2012**⁴⁰ establishes technical and business requirements for credit transfers and direct debits in euros. In particular, the regulation requires the use of the International Bank Account Number (IBAN) and the Business Identifier Code (BIC) for all SEPA transactions, as well as the ISO 20022 XML message format for electronic payment transactions. In addition, the regulation governs mandates for direct debit transactions. This provision was introduced in Ukraine by the resolution of the NBU Board “On the Implementation of the International Standard ISO 20022 in Ukraine’s Payment Infrastructure.”⁴¹
- **Regulation 2015/751**⁴² establishes rules for interchange fees for card-based payments, aiming to reduce costs for consumers and businesses, promote competition, and enhance transparency in the payment services sector. The regulation obliges banks to provide transparent information about fees, allowing businesses to choose the most advantageous payment solutions. This contributes to the harmonisation of the payment services market in the EU, creating a level playing field for financial institutions. The regulation also supports the development of a single market where card-based payments become more accessible and efficient for all participants.

³⁶ [On Payment Services](#)

³⁷ [Regulation on the Procedure for Authorising the Activities of Financial Payment Service Providers and Limited Payment Services](#); [Regulation on the Procedure for the Issuance and Acquiring of Payment Instruments](#); [Regulation on the Engagement of Commercial Agents for the Provision of Financial Payment Services](#); [Regulation on the Procedure for Oversight of the Payment Infrastructure in Ukraine](#); [Regulation on the Disclosure of Information by Non-Bank Payment Service Providers](#); [Regulation on the National Bank of Ukraine Sanctions for Violations of Legislation Regulating Activities in the Payment Market](#); [Regulation on the Issuance of Electronic Money and the Execution of Payment Operations with It](#); [Regulation on Additional Requirements for Contracts for the Provision of Payment Services Concluded by Non-Bank Payment Service Providers with Consumers](#); [On Establishing Requirements for the Provision of Limited Payment Services](#); [Instruction on the Execution of Interbank Payment Transactions in Ukraine in the National Currency](#); [Regulation on the Procedure for Issuing Licences for Foreign Exchange Transactions](#); [Regulation on Conducting Inspections of Non-Bank Payment Service Providers and Providers of Limited Payment Services](#); [Regulation on Authentication and the Application of Enhanced Authentication in the Payment Market](#); [Rules for the Storage, Protection, Use, and Disclosure of the Payment Service Provider Confidential Information](#).

³⁸ [Implementing regulation – 2018/1624 – EN – EUR-Lex \(europa.eu\)](#); [Delegated regulation – 2018/389 – EN – EUR-Lex \(europa.eu\)](#).

³⁹ [Regulation – 2021/1230 – EN – EUR-Lex \(europa.eu\)](#)

⁴⁰ [Regulation – 260/2012 – EN – EUR-Lex \(europa.eu\)](#)

⁴¹ [On the Implementation of the International Standard ISO 20022 in Ukraine’s Payment Infrastructure](#)

⁴² [Regulation – 2015/751 – EN – EUR-Lex](#)

The NBU regulates tariffs for interbank transactions within Ukrainian payment systems, although there are no direct restrictions on interchange fees as in Regulation 2015/751.

3.3. PREVENTION OF CRIMINAL PRACTICES

The EU has directives in effect that create a regulatory framework for preventing money laundering.

- **Directive 2015/849** (also known as the Fourth Anti-Money Laundering Directive, 4AMLD)⁴³ establishes key provisions for preventing money laundering and terrorist financing, namely:
 - requires member states, financial institutions, and designated non-financial businesses and professions to identify, assess, and understand the risks of money laundering and terrorist financing, and obliges business entities to take measures to mitigate these risks proportionate to the level of identified risk.
 - requires business entities to verify the identities of their customers and ultimate beneficial owners when establishing business relationships and conducting transactions that exceed certain threshold values or in cases where suspicions arise;
 - envisages ongoing monitoring of the customer relationships to ensure that the transactions being conducted are consistent with the knowledge of the customer, the business and the risk profile, and also specifies the conditions under which simplified or enhanced due diligence measures should be applied based on a risk assessment;
 - requires member states to establish central registers of information on beneficial owners for corporate and other legal entities, as well as on beneficial owners of trusts and other similar entities, and to maintain it in a central register;
 - obliges institutions to report any suspicious transactions or activities to the national Financial Intelligence Unit (FIU)⁴⁴ and prohibits covered entities from informing the customer or third parties that a suspicious transaction report has been filed or that an investigation is being conducted;
 - requires business entities to retain records of transactions and customer due diligence information for at least five years after the end of the business relationship or the date of a one-off transaction;
 - obliges business entities to implement and maintain adequate policies, controls, and procedures to mitigate and effectively manage the risks of money laundering and terrorist financing;
 - introduces additional controls over transactions of politically exposed persons (PEP);
 - obliges business entities to apply enhanced due diligence measures when dealing with parties from third countries with a high-risk level, as identified by the European Commission.

⁴³ [Directive – 2015/849 – EN – AML Directive - EUR-Lex \(europa.eu\)](#)

⁴⁴ In Ukraine, the functions of the Financial Intelligence Unit (FIU) are performed by the State Financial Monitoring Service of Ukraine (SFMSU), also known as Derzhfinmonitoring.

- **Directive 2017/541**,⁴⁵ although primarily aimed at combating terrorism, also contains provisions related to money laundering and terrorist financing:
 - the directive makes criminally punishable providing or collecting funds with the intention that they be used or in the knowledge that they are to be used to commit terrorist offences;
 - covers a wide range of financial activities that may be associated with terrorist financing, such as bank transfers, the provision of financial services, and other transactions; extends to the provision of economic resources, including services and goods, to terrorist organisations or for terrorist purposes;
 - obliges member states to implement measures for the early detection and monitoring of financial transactions that may be linked to terrorist financing.
- **Directive 2018/843** (Fifth Anti-Money Laundering Directive, 5AMLD)⁴⁶ expands the regulatory framework:
 - requiring member states to establish central registers of information on beneficial owners for corporate and other legal entities (these registers must be accessible to competent authorities, financial investigation units, obliged entities, and, under certain conditions, to the general public);
 - providing for the interconnection of central registers of beneficial owners across the EU, allowing competent authorities to have more efficient access to information;
 - expanding the scope of regulation to include virtual currency exchange platforms and virtual wallet providers;
 - expanding the scope of regulation to art dealers, real estate agents conducting transactions with large sums, as well as those providing services related to virtual currencies;
 - expanding the powers of financial investigation units by granting them access to a wider range of information, including central registers of beneficial owners, and also strengthening cooperation and information exchange between financial investigation units in the EU and their counterparts in third countries;
 - expanding the definition of politically exposed persons, including national public figures and officials of international organisations;
 - prohibiting the creation of anonymous accounts, passbooks or safe deposit boxes.
- **Directive 2018/1673** (Sixth Anti-Money Laundering Directive, 6AMLD)⁴⁷
 - expands the scope of predicate offences, including a wider range of criminal activities, providing a more comprehensive approach to detecting and countering money laundering of criminal proceeds (the list includes, in particular, cybercrimes);
 - makes more severe the liability of legal entities and prescribes sanctions for them;

⁴⁵ [Directive – 2017/541 – EN – EUR-Lex \(europa.eu\)](#)

⁴⁶ [Directive – 2018/843 – EN – AML Directive – EUR-Lex \(europa.eu\)](#)

⁴⁷ [Directive – 2018/1673 – EN – EUR-Lex \(europa.eu\)](#)

- criminalises not only direct involvement in money laundering but also aiding, abetting, and attempting to commit such activities;
- introduces stricter penalties for money laundering, including a minimum sentence of four-year imprisonment for individuals found guilty of money laundering;
- emphasises the need to strengthen cooperation and information exchange between member states, as well as between the public and private sectors, for the effective fight against money laundering and terrorist financing;
- ensures wider coverage: auditors, external accountants, tax consultants, notaries, and real estate agents are also made subject to anti-money laundering measures;
- strengthens the requirements for beneficial owners' transparency, ensuring that information about the actual owners of companies and trusts is accurate and up to date.

In addition, a number of regulations detail the provisions of the aforementioned directives, in particular:

- **Regulation 2015/847⁴⁸** applies to transfers of funds in any currency sent or received by a payment service provider in the EU and obliges the payment service provider to record information about the payer (name, payment account number, address, official document number, customer identification number, or date and place of birth). Payment service providers must verify the information about the payer before transferring funds if the amount exceeds 1,000 euros (with some exceptions, such as when a batch of transfers to different recipients is involved). Verification is also required for all fund transfers suspected of being linked to money laundering or terrorist financing, regardless of the amount. The regulation also outlines the procedure for verifying transactions and reporting suspicious transactions.
- **Regulation 2023/1113⁴⁹** extends the requirements of Directive 2015/849 regarding the tracking of transfers to crypto-assets.
- **Regulation 2024/1624⁵⁰** was introduced to unify national practices in combating money laundering and terrorist financing within the EU. The regulation governs the measures that obliged entities must apply to prevent money laundering and terrorist financing, requirements for the transparency of beneficial owners for legal entities, and measures to limit the abuse of anonymous instruments.

The Law of Ukraine “On Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction”⁵¹ contains provisions that correspond to the above-mentioned. In particular, the law

- introduces the obligation to report on ultimate beneficial ownership;
- obliges primary financial monitoring entities (including payment service providers) to collect data about the client;
- sets a threshold value for transaction verification at 400,000 UAH (approximately 10,000 euros);

⁴⁸ [Regulation – 2015/847 – EN – Funds Transfer Regulation - EUR-Lex \(europa.eu\)](#)

⁴⁹ [Regulation – 2023/1113 – EN – EUR-Lex \(europa.eu\)](#)

⁵⁰ [Regulation – EU – 2024/1624 – EN – EUR-Lex \(europa.eu\)](#)

⁵¹ [On Preventing and Counteracting Legalisation \(Laundering\) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction](#)

- obliges its subjects to report suspicious transactions to the State Financial Monitoring Service;
- obliges its subjects to retain information about transactions for at least five years after the termination of business relations.

However, the requirements of the 6AMLD regarding the criminalisation of aiding and abetting and enhanced penalties have not yet been fully incorporated into it. In addition, EU legislation covers art dealers, real estate agents, and other non-financial entities, which are currently regulated less strongly in Ukraine. The EU pays significant attention to ensuring the accuracy and regular verification of beneficiary data. In Ukraine, the verification process remains less standardised and depends on the initiative of financial monitoring entities.

4. CONCLUSIONS AND RECOMMENDATIONS

The EU internal market provides for the free movement of goods and services, the free movement of labour, as well as the free movement of capital. However, a free capital movement zone can only function safely and efficiently if international reporting standards, safety, securities, and investor protection schemes are unified and a single payment system exists. Thus, introducing the European acquis in Ukraine requires, on the one hand, the liberalisation of international investment flows and, on the other, the development of infrastructure to support them. Below, we present the key findings and recommendations regarding Ukraine’s progress in the negotiating chapter “Free Movement of Capital.”

- Ukraine has made significant progress in joining the Single Euro Payments Area (SEPA). Negotiations with FISMA began in early 2024. Currently, one of the conditions for joining is the implementation of the latest prudential standards for the EU banking system.
- Despite certain progress in implementing EU legislation on beneficial ownership, the establishment of the Register for holders and beneficial owners of bank accounts, payment accounts, and safe deposit boxes will require further steps. It is important to ensure that legislation is harmonised with European standards, in particular in the areas of data protection, transparency, and banking secrecy. Additionally, bylaws must be adopted to define the technical and administrative aspects of the registry.
- Ukraine continues to implement FATF standards. In addition, a draft law has been registered to ensure further alignment of Ukrainian legislation with FATF standards.
- In Ukraine, foreigners are outright banned from acquiring agricultural land, which contradicts European legislation. However, in most “new” EU member states, restrictions on land acquisition also apply to land with other designations and even to housing (unlike in Ukraine). The only difference is that these countries resort to “covert” restrictions rather than a complete ban. Thus, a successful strategy for Ukraine could involve lifting the ban on foreigners acquiring land in Ukraine while simultaneously introducing other legal barriers.
- Ukrainian legislation, particularly the Law “On Payment Services,” largely complies with the key requirements of Directive 2015/2366, especially regarding new payment services and transaction security. However, some aspects, such as transparency of currency conversion charges and full compliance with SEPA standards, require further transposition.

- European anti-money laundering directives establish a clear legal framework for identifying, monitoring, and combating the risks of financial crimes. These directives also require transparency of beneficial ownership and the control of financial transactions. Ukrainian legislation has largely adapted these approaches, ensuring transaction monitoring, obligations to disclose information about beneficiaries, and data storage. However, further improvement in data accuracy, criminalisation of certain offences, and coverage of non-financial entities is required.

ANNEX 1. THE STATE OF IMPLEMENTATION OF EUROPEAN LEGISLATION IN THE CONTEXT OF THE NEGOTIATING CHAPTER “FREE MOVEMENT OF CAPITAL.”

European law(s)/regulation(s)	Summary Description	Ukrainian law(s)/regulation(s)
Cross-border payments, functioning of SEPA		
<p>Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2366</p> <p>Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R0389</p> <p>Commission Implementing Regulation (EU) 2018/1624 of 23 October 2018 laying down implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) 2016/1066 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R1624</p> <p>Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union (codification)</p>	<p>Ensuring seamless cross-border payments through unified standards, information transparency, and enhanced security measures.</p>	<p>LAW OF UKRAINE On Payment Services https://zakon.rada.gov.ua/laws/show/1591-20#Text (defines the concept and general procedure for executing payment transactions in Ukraine)</p> <p>RESOLUTION OF THE NATIONAL BANK OF UKRAINE On Approving the Regulation on the Procedure for Authorising the Activities of Financial Payment Service and Limited Payment Service Providers https://zakon.rada.gov.ua/laws/show/v0217500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Procedure for the Issuance and Acquiring of Payment Instruments https://zakon.rada.gov.ua/laws/show/v0164500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Engagement of Commercial Agents for the Provision of Financial Payment Services https://zakon.rada.gov.ua/laws/show/v0168500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Procedure for Oversight of the Payment Infrastructure in Ukraine https://zakon.rada.gov.ua/laws/show/v0187500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Procedure for Disclosure of Information by Non-Banking Payment Service Providers https://zakon.rada.gov.ua/laws/show/v0181500-22#Text</p>

<p>https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32021R1230</p> <p>Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009</p> <p>https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32012R0260</p>		<p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Application of Sanctions by the National Bank of Ukraine for Violations of Legislative Requirements Concerning Activities in the Payment Market</p> <p>https://zakon.rada.gov.ua/laws/show/v0206500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Issuance of Electronic Money and the Execution of Payment Transactions with It</p> <p>https://zakon.rada.gov.ua/laws/show/v0210500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on Additional Requirements for Contracts for the Provision of Payment Services Concluded by Non-Bank Payment Service Providers with Consumers</p> <p>https://zakon.rada.gov.ua/laws/show/v0233500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Establishing Requirements for the Provision of Limited Payment Services</p> <p>https://zakon.rada.gov.ua/laws/show/v0249500-22#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Instruction on the Execution of Interbank Payment Transactions in Ukraine in the National Currency</p> <p>https://zakon.rada.gov.ua/laws/show/v0016500-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Procedure for Issuing Licenses for Foreign Exchange Transactions</p> <p>https://zakon.rada.gov.ua/laws/show/v0043500-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on Conducting Inspections</p>
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		<p>of Non-Bank Payment Service Providers and Limited Payment Service Providers https://zakon.rada.gov.ua/laws/show/v0047500-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on Authentication and the Application of Enhanced Authentication in the Payment Market https://zakon.rada.gov.ua/laws/show/v0058500-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Amendments to the Rules for Storage, Protection, Use, and Disclosure of the Payment Service Provider's Confidential Information https://zakon.rada.gov.ua/laws/show/v0159500-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On the Implementation of the International Standard ISO 20022 in Ukraine's Payment Infrastructure https://zakon.rada.gov.ua/laws/show/v0093500-21#Text</p>
Prevention of money laundering and its criminal use, ultimate beneficial ownership		
<p>Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849</p> <p>Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017L0541</p>	<p>Prevention of money laundering, terrorist financing and other crimes, ensuring a transparent ownership structure.</p>	<p>LAW OF UKRAINE On Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction https://zakon.rada.gov.ua/laws/show/361-20#Text</p> <p>CABINET OF MINISTERS OF UKRAINE, RESOLUTION On Approving the Procedure for the Formation and Publication of Comprehensive Administrative Reporting in the Field of Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction https://zakon.rada.gov.ua/laws/show/692-2020-%D0%BF#Text</p> <p>MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Procedure for the State Financial Monitoring Service of Ukraine To Issue Decisions (Instructions)</p>

<p>Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directives 2009/138/EC and 2013/36/EU Directive – 2018/843 – EN – AML Directive – EUR-Lex (europa.eu)</p> <p>Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law Directive – 2018/1673 – EN – EUR-Lex (europa.eu)</p> <p>Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0847</p> <p>Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1113</p> <p>Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1624 (in effect since 9 July 2024)</p>		<p>on the Suspension of Financial Transactions https://zakon.rada.gov.ua/laws/show/z0297-21#Text</p> <p>NATIONAL SECURITIES AND STOCK MARKET COMMISSION, DECISION On Approving the Regulation on the Implementation of Financial Monitoring by Primary Financial Monitoring Entities Regulated and Overseen by the National Securities and Stock Market Commission https://zakon.rada.gov.ua/laws/show/z0532-21#Text</p> <p>MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Procedure for Providing Information on the Tracking (Monitoring) of Financial Transactions https://zakon.rada.gov.ua/laws/show/z0576-21#Text</p> <p>MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Procedure for Applying the Common Standard on Reporting and Due Diligence for Financial Account Information https://zakon.rada.gov.ua/laws/show/z1090-23#Text</p> <p>CABINET OF MINISTERS OF UKRAINE, RESOLUTION On Approving the Procedure for Oversight in the Field of Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction over the Activities of Primary Financial Monitoring Entities Regulated and Overseen by the Ministry of Finance, Ministry of Justice, and the Ministry of Digital Transformation https://zakon.rada.gov.ua/laws/show/662-2023-%D0%BF#Text</p> <p>CABINET OF MINISTERS OF UKRAINE AND NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Procedure for the Collection, Processing, and Analysis of Information on the Activities of Financial Monitoring Entities and Other State Bodies Involved in the System of Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and</p>
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		<p>Financing of Proliferation of Weapons of Mass Destruction, Approval and Publication of the Results of the National Risk Assessment and Implementation of Measures Based on Its Results https://zakon.rada.gov.ua/laws/show/690-2020-%D0%BF#Text</p> <p>NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Procedure for Authorising the Activities of Financial Payment Service and Limited Payment Service Providers https://zakon.rada.gov.ua/laws/show/v0217500-22#Text</p> <p>MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Procedure for Electronic Interaction of Information Systems of the State Tax Service of Ukraine and the State Financial Monitoring Service of Ukraine regarding the Provision of Information on Natural Persons' Income Necessary for Preventing and Counteracting Legalisation (Laundering) of Criminal Proceeds, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction https://zakon.rada.gov.ua/laws/show/z1619-23#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Amendments to Certain Regulations of the National Bank of Ukraine Concerning Oversight Matters https://zakon.rada.gov.ua/laws/show/v0037500-24#Text</p> <p>LAW OF UKRAINE On Amendments to Certain Laws of Ukraine Regarding the Improvement of Regulation of Ultimate Beneficial Ownership and Ownership Structure of Legal Entities https://zakon.rada.gov.ua/laws/show/2571-20#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE, ORDER On Approving the Procedure for a Legal Entity To Provide Explanations and/or Documents To Confirm Information about the Ultimate Beneficial Owner and/or the Ownership Structure of</p>
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		<p>the Legal Entity, as well as the Procedure for Their Consideration https://zakon.rada.gov.ua/laws/show/z0990-23#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE AND MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Procedure for the Holder of the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations To Transfer Information about Discrepancies between the Information on Ultimate Beneficial Owners and/or the Ownership Structure of a Legal Entity Obtained by the Primary Financial Monitoring Entity as a Result of Due Diligence of the Legal Entity, and the Corresponding Information Placed in the Said Register, and about the Primary Financial Monitoring Entity That Identified Such Discrepancies, to the Specially Authorised Body https://zakon.rada.gov.ua/laws/show/z1168-23#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE, ORDER On Approving the Procedure for Notifying the Holder of the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations about the Identification of Discrepancies between the Information on Ultimate Beneficial Owners and/or the Ownership Structure of a Legal Entity Obtained by the Primary Financial Monitoring Entity as a Result of Due Diligence of the Legal Entity, and the Information Placed in the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations https://zakon.rada.gov.ua/laws/show/z1185-23#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE, ORDER On Amendments to the Procedure for Notifying the Holder of the Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations about the Identification of Discrepancies between the Information on Ultimate Beneficial Owners and/or the Ownership Structure of a Legal Entity Obtained by the Primary Financial Monitoring Entity as a Result of Due Diligence of the Legal Entity, and the Information Placed in the Unified</p>
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		<p>State Register of Legal Entities, Individual Entrepreneurs, and Public Organisations https://zakon.rada.gov.ua/laws/show/z1312-24#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE, ORDER On Approving the Procedure for Taking Action Against and the Procedure for Determining the Amount of Fines for Violations in the Field of State Registration of Legal Entities https://zakon.rada.gov.ua/laws/show/z1614-23#Text</p> <p>MINISTRY OF JUSTICE OF UKRAINE, ORDER On Approving the Procedure for Verifying the Information Provided by a Legal Entity in the Explanation and Documents To Confirm Information about the Ultimate Beneficial Owner and/or the Ownership Structure of the Legal Entity https://zakon.rada.gov.ua/laws/show/z1616-23#Text</p> <p>CABINET OF MINISTERS OF UKRAINE AND NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Methodology for Determining the Ultimate Beneficial Owner by a Legal Entity https://zakon.rada.gov.ua/laws/show/1011-2023-%D0%BF#Text</p> <p>MINISTRY OF FINANCE OF UKRAINE, ORDER On Approving the Regulation on the Form and Content of the Ownership Structure https://zakon.rada.gov.ua/laws/show/z0768-21#Text</p> <p>BOARD OF THE NATIONAL BANK OF UKRAINE, RESOLUTION On Approving the Regulation on the Requirements for the Ownership Structure of Financial Service Providers https://zakon.rada.gov.ua/laws/show/v0030500-21#Text</p> <p>NATIONAL SECURITIES AND STOCK MARKET COMMISSION, DECISION On Approving the Regulation on the Form and Content of the Ownership Structure https://zakon.rada.gov.ua/laws/show/z0365-24#Text</p>
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ANNEX 2. NOMENCLATURE OF THE CAPITAL MOVEMENTS REFERRED TO IN ARTICLE 1 OF THE DIRECTIVE 88/361

Group	Subgroup
Direct investments	<ol style="list-style-type: none"> 1. Establishment and extension of branches or new undertakings belonging solely to the person providing the capital and the acquisition in full of existing undertakings. 2. Participation in new or existing undertakings with a view to establishing or maintaining lasting economic links. 3. Long-term loans with a view to establishing or maintaining lasting economic links. 4. Reinvestment of profits with a view to maintaining lasting economic links. A. Direct investments in national territory by non-residents B. Direct investments abroad by residents
Investments in Real Estate	<p>A – Investments in real estate on national territory by non-residents</p> <p>B – Investments in real estate abroad by residents</p>
Operations in Securities Normally Dealt in on the Capital Market	<ol style="list-style-type: none"> A. Transactions in securities on the capital market <ol style="list-style-type: none"> 1. Acquisition by non-residents of domestic securities dealt in on a stock exchange. 2. Acquisition by residents of foreign securities dealt in on a stock exchange. 3. Acquisition by non-residents of domestic securities not dealt in on a stock exchange. 4. Acquisition by residents of foreign securities not dealt in on a stock exchange. B. Acquisition by residents of foreign securities not dealt in on a stock exchange. <ol style="list-style-type: none"> (i) Introduction to a stock exchange. (ii) Issue and placing on a capital market/ <ol style="list-style-type: none"> 1. Admission of domestic securities to a foreign capital market. 2. Administration of foreign securities to the domestic capital market.
Operations in Units of Collective Investment Undertakings	<ol style="list-style-type: none"> a) Units of undertakings for collective investment in securities normally traded on the capital market (shares, other equities, and bonds). b) (b) Units of undertakings for collective investment in securities or instruments normally dealt in on the money market. c) (c) Units of undertakings for collective investment in other assets. A. Transactions in units of collective investment undertakings <ol style="list-style-type: none"> 1. Acquisition by non-residents of units of national undertakings dealt in on a stock exchange. 2. Acquisition by residents of units of foreign undertakings dealt in on a stock exchange. 3. Acquisition by non-residents of units of national undertakings not dealt in on a stock exchange. 4. Acquisition by residents of units of foreign undertakings not dealt in on a stock exchange. B. Administration of units of collective investment undertakings to the capital market <ol style="list-style-type: none"> (i) Introduction to a stock exchange. (ii) Issue and placing on a capital market. <ol style="list-style-type: none"> 1. Admission of units of national collective investment undertakings to a foreign capital market. 2. Admission of units of foreign collective investment undertakings to the domestic capital market.
Operations in Securities and Other Instruments Normally Dealt in on the Money Market	<ol style="list-style-type: none"> A. Transactions in securities and other instruments on the money market. <ol style="list-style-type: none"> 1. Acquisition by non-residents of Ukrainian money market securities and instruments. 2. Acquisition by residents of foreign money market securities and instruments. B. Admission of securities and other instruments to the money market. <ol style="list-style-type: none"> (i) Introduction to a recognised money market. (ii) Issue and placing on a recognised money market. <ol style="list-style-type: none"> 1. Admission of domestic securities and instruments to a foreign money market. 2. Admission of foreign securities and instruments to the domestic money market.

Operations in Current and Deposit Accounts with Financial Institutions	<ul style="list-style-type: none"> A. Operations carried out by non-residents with domestic financial institutions. B. Operations carried out by residents with foreign financial institutions.
Credits Related to Commercial Transactions or to the Provision of Services in which a Resident Is Participating	<ul style="list-style-type: none"> 1. Short-term (less than one year). 2. Medium-term (from one to five years). 3. Long-term (five years or more). A. Credits granted by non-residents to residents. B. Credits granted by residents to non-residents.
Financial Loans and Credits	<ul style="list-style-type: none"> 1. Short-term (less than one year). 2. Medium-term (from one to five years). 3. Long-term (five years or more). A. Loans and credits granted by non-residents to residents. B. Loans and credits granted by residents to non-residents.
Sureties, Other Guarantees and Rights of Pledge	<ul style="list-style-type: none"> A. Granted by non-residents to residents B. Granted by residents to non-residents
Transfers in the Performance of Insurance Contracts	<ul style="list-style-type: none"> A. Premiums and payments in respect of life assurance. <ul style="list-style-type: none"> 1. Contracts concluded between domestic life assurance companies and non-residents. 2. Contracts concluded between foreign life assurance companies and residents. B. Premiums and payments in respect of credit insurance. <ul style="list-style-type: none"> 1. Contracts concluded between domestic credit insurance companies and non-residents. 2. Contracts concluded between foreign credit insurance companies and residents. C. Other transfers of capital in respect of insurance contracts.
Personal Capital Movements	<ul style="list-style-type: none"> A. Loans B. Gifts and endowments C. Dowries D. Inheritances and legacies E. Settlement of debts by immigrants in their previous country of residence F. Transfers of assets constituted by residents in the event of emigration, at the time of their installation or during their period of stay abroad G. Transfers, during their period of stay, of immigrants' savings to their previous country of residence
Physical Import and Export of Financial Assets	<ul style="list-style-type: none"> A. Securities B. Means of payment of every kind
Other Capital Movements	<ul style="list-style-type: none"> A. Death duties B. Damages (where these can be considered as capital) C. Refunds in the case of cancellation of contracts and refunds of uncalled-for payments (where these can be considered as capital) D. Authors' royalties: patents, designs, trademarks and inventions (assignments and transfers arising out of such assignments) E. Transfers of the monies required for the provision of services (not included under VI) F. Miscellaneous