On 15 April 2014 the Ukrainian Parliament passed the Law of Ukraine “On Ensuring Civil Rights and Freedoms and the Legal Regime on Temporarily Occupied Territory of Ukraine” (the ‘Law’).

Specifically, the Law determines a legal regime of occupied territories as well as sets forth special procedures for the operation of governmental authorities, bodies of local self-government, enterprises and organizations, under such legal regime, provides for protection of human and civil rights and freedoms as well as rights, freedoms and lawful interests of legal entities and indicates Ukrainian courts that will consider disputes arising in Crimea during the occupation.

It defines ‘occupied territory’ as including the land territory of the Autonomous Republic of Crimea and the city of Sevastopol as well as their domestic waters; domestic waters and territorial sea of Ukraine adjacent to the coast of the Crimean peninsula; the territory of an adjacent area, exclusive economic zone and continental shelf along the coast of the Crimean peninsula subject to jurisdiction of Ukrainian bodies of state power in accordance with provisions of international law, the Constitution and laws of Ukraine; underwater space within the territorial sea; air space above these territories.

For as long as Crimea remains occupied, the ‘occupied territory’ will be subjected to a special legal regime with respect to the border crossing with the ‘occupied territory’, carrying out business activity, entering into transactions, holding elections and referenda, exercise of other human and civil rights and freedoms as well as a special procedure for ensuring human and civil rights and freedoms of Ukrainian citizens residing in the temporarily occupied territories of Ukraine.

1) Activities of state and local self-governance bodies created in the occupied territories in breach of Ukrainian law shall be prohibited, and their regulations and acts shall be illegal and will not be recognized in Ukraine – e.g. permits, authorizations, allocation of land plots.

2) The Law specifically deals with transfers of Crimea-based immovable property by setting forth that ownership rights to immovable property may be transferred and acquired in accordance with Ukrainian law. As a result, Crimea-based immovable property may be transferred outside Crimea and notarized by any Ukrainian notary.

3) Disputes arising in Crimea during the occupation will be considered by respective civil, commercial and administrative courts in the city of Kyiv.

4) If provisions of the Law are violated, Ukrainian authorities shall apply mechanisms provided for by Ukrainian law and provisions of international laws both within Ukrainian and international courts.

Business activities in Crimea will be covered by a separate law intended to specifically address the ‘doing business in Crimea’ aspect.

Generally, the Law limits business activity in the territory of Crimea and, obviously, persons engaged in business activity in Crimea may be prosecuted by Ukraine and the international community (i.e., the countries that did not recognize the occupation of Crimea by the Russian Federation). Considering this, the Ministry of Justice of Ukraine introduced a simplified procedure for Crimea-registered businesses to change their registered addresses. Accordingly, Crimea-registered businesses may now register anywhere in Ukraine and continue with their businesses.