



Ukrayinska Pravda

## Zelenskyy signs law on corporate governance of state-owned companies

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Volodymyr Zelenskyy. Stock photo: Office of the President of Ukraine

President Volodymyr Zelenskyy has signed a law amending certain legislative acts of Ukraine to improve corporate governance of legal entities in which the state is a shareholder (founder, participant).

**Source:** [Ministry of Economy](#)

It is noted that the law regulates many issues that will allow companies to operate in a way that is clear to society, investors and international

The adoption of the law is also part of the European integration process and the IMF programme. The law brings Ukraine closer to Organisation for Economic Co-operation and Development standards and balances them with the requirements of wartime.

For strategic companies, the shareholder and the Ministry of Finance will set requirements through letters of expectation with indicators of profitability, liquidity and solvency.

Supervisory boards will decide how to meet these targets. In addition, supervisory boards will be able to appoint and dismiss company executives. An internal control system is emerging – instead of audit committees, there will be effective tools: compliance, risk management, and internal audit.

"Instead, the government should develop and approve a procedure for assessing the performance of supervisory boards and a procedure for determining remuneration. The law also provides for a clear list of grounds and procedure for dismissing members of supervisory boards," the statement said.

Yuliia Svyrydenko, First Vice Prime Minister and Minister of Economy, pointed out that the new law allows the government to take the corporate reform to a new level and scale up the work that has been going on for eight years. It is also an important signal to investors that Ukraine will act in accordance with the rules that are understandable to the civilised world.

**Background:** On 22 February, the Verkhovna Rada, Ukraine's parliament, adopted a law on improving corporate governance of state-owned companies (draft law No. 5593-d).

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