

## S.E.R.A.F.I.M.

<https://enforceinukraine.com.ua>

- ✓ Recognition of foreign judgments in Ukraine
- ✓ Enforcement of court decisions in Ukraine, including foreign courts decisions
- ✓ Enforcement of arbitral awards in Ukraine
- ✓ Debt collection in Ukraine
- ✓ Searching for property in Ukraine
- ✓ Searching for the debtor's residence in Ukraine
- ✓ Providing information about your counterparty
- ✓ Checking your counterparty
- ✓ Presentation of courts notifications in Ukraine
- ✓ Solving other problematic issues in Ukraine

*"we enforce the result"*

**Legal Person:** Lexalers LLC

EDRPOU: 41844803

ADDRESS: Razina 8, Khmelnytskyi, 29000, Ukraine

**E-MAIL:** [office-serafimlawyers@proton.me](mailto:office-serafimlawyers@proton.me)

**SKYPE:** serafimlawyers

**PHONE:** + 38 - 067 - 537 - 04 - 09

**WHATSAPP:** + 38 - 067 - 537 - 04 - 09

**VIBER:** + 38 - 067 - 537 - 04 - 09

**Languages:** Ukrainian, English, German, Polish, Italian, Russian

DATE: **5 February 2025**

Akt Nr: **2 – 02 | 25**

To:

Memorandum (**part 2 creation and operation**)

Project: Industrial Parks in Ukraine: Creation and Operation

Client: Newsletter

**Dear colleagues,**

Please find below our next Memorandum on the state support of Ukraine for industrial parks, which outlines conditions and the procedure of creation and operation of industrial parks in Ukraine.

### **Introduction:**

The inevitable peace in Ukraine is becoming a driving force for the development of all spheres of the economy of Ukraine, as one of the largest and most attractive countries in Europe in terms of investment. Business development requires the opening and entry into new markets for goods and services. Ukraine is undoubtedly becoming a new "European tiger" in the global economy and in the civilized world of democracy.

Having fairly moderate tax conditions for doing business, the state of Ukraine has created tax havens for foreign investors in its regions, primarily in the field of industry and processing.

In a series of Memorandums, we will examine in detail and reveal the structure and mode of operation of Industrial Parks in Ukraine, as a new opportunity for companies from all over the civilized world to enter new markets and be successful in the extremely interesting and promising economy of Europe – Ukraine.

### **Topics:**

1. Participation in the creation of industrial parks in Ukraine
2. Initiating the creation of an industrial park in Ukraine
3. Creation and registration of an industrial park

## 1. Participation in the creation of industrial parks in Ukraine

Foreign investors can participate in the creation of industrial parks and conduct business in them in the following forms:

- initiate the creation of an industrial park;
- create or acquire an industrial park management company in Ukraine;
- become a member of the industrial park.

When planning to participate in the creation of industrial parks in Ukraine and conduct business in them, a foreign investor needs to take into account the following features:

**a)** The management company of the industrial park must be established under the legislation of Ukraine. A foreign investor can both establish and register a company in Ukraine for this purpose, and/or to purchase an already established Ukrainian company;

**b)** The company initiating the creation of an industrial park, the management company, and the participant of the industrial park cannot be established:

- ✓ citizens of the Russian Federation;
- ✓ companies or related persons registered in the Russian Federation;
- ✓ companies or persons associated with them that are subject to sanctions (international or national);
- ✓ companies in which residents of the Russian Federation own more than 10% of the shares or are the ultimate beneficiaries.

## 2. Initiating the creation of an industrial park in Ukraine

A foreign citizen or a foreign company may initiate the creation of an industrial park in Ukraine if:

- owns or leases a land plot designated as "Industrial Land" with a size of 10 to 1,000 hectares;
- owns a share in a Ukrainian company that owns or leases a land plot designated as "Industrial Land" ranging in size from 10 to 1,000 hectares;
- does not fall under the restrictions set by the Law "On Industrial Parks".

The legislation of Ukraine establishes the rights and obligations of the initiator of the creation of an industrial park, except for those that he assumes under agreements with the management company and participants. Initiator of creation has the right, in particular:

- to monitor compliance by the management company with the terms of the concluded agreements;
- to lease (sublease) or alienate real estate objects (parts of objects) within the industrial park to the management company or participants.

At the same time, the initiator of the creation obliged:

- to carry out the development of the industrial park in accordance with the terms of the agreement on the creation and operation of the industrial park;
- provide the management company and/or participants with rights to land plots, existing engineering and transport infrastructure facilities and other facilities located within the industrial park;
- to maintain the commercial secrets of the management company;

- not to interfere in the current business activities of the management company and participants;
- consider the management company's proposals for granting consent to make permanent improvements to its property transferred for use to the management company;
- to monitor compliance with the industrial park concept;
- in the absence of a management company, submit semi-annual reports to the Ministry of Economy of Ukraine on the results of the operation of the industrial park;
- when concluding an agreement on the creation and operation of an industrial park, provide in its terms for the use of employees who are citizens of Ukraine in activities related to the creation and operation of the industrial park, including those dismissed in connection with the liquidation of a state or municipal enterprise, the property of which is provided for use by the management company.

### **3. Creation and registration of an industrial park**

The procedure for creating and registering an industrial park in Ukraine includes:

*1. Acquisition of a land plot or conclusion of a land lease agreement or acquisition of a share in a Ukrainian company that owns or uses the necessary land plot.*

Foreigners can own or lease industrial land. However, it should be borne in mind that foreign companies can purchase industrial land:

**a) within settlements:**

- in the case of purchasing real estate;
- for the construction of real estate for doing business in Ukraine.

**b) outside populated areas – in the case of purchasing real estate.**

When planning to purchase or lease a land plot to create an industrial park, a foreign investor should keep in mind not only the requirements for the purpose and size of the land plot. It is also necessary to check that such a land plot does not have:

- production facilities that were put into operation within the last 10 years before the decision to create an industrial park was made;
- production facilities that were operated within the last five years before the decision to create an industrial park was made.

These requirements do not apply to coal mining enterprises that have been liquidated, are being liquidated, or are planned to be liquidated.

Please note: If it turns out that the above-mentioned objects are on the land plot, then the industrial park created on it will not be able to be included in the Register of Industrial Parks, and, accordingly, the business will not be able to take advantage of state incentives.

*2. Making a decision to create an industrial park.*

Such a decision must be set out in writing, as it is provided both in the registration procedures and in the procedures for concluding agreements with the management company. It is recommended to include basic information about the main parameters of the industrial park in the decision - location, information about the initiator, purpose of creation, etc.

### ***3. Development and approval of the concept of an industrial park.***

The concept should contain information about:

- name of the industrial park;
- initiator of the creation of an industrial park;
- the purpose, objectives and functional purpose of the industrial park;
- location, size of the land plot and facilities located on it, including production facilities (if any);
- the period for which the industrial park is being created; (the industrial park is being created for a limited period at least 30 years old.)
- requirements for industrial park participants;
- information on the estimated total consumption of energy resources, water, etc., as well as on the necessary engineering and transport infrastructure and a plan for providing the industrial park with appropriate resources;
- industrial park development plan;
- approximate resources (financial, material, technical, labor, natural, etc.) necessary for the creation and functioning of the industrial park, expected sources of their attraction;
- organizational model of the functioning of the industrial park;
- expected results of the operation of the industrial park;
- the initiator may also include other information and plans for the industrial park in the concept, but the above information must be reflected.

### ***4. Submission to the Ministry of Economy of Ukraine of a copy of the decision to establish an industrial park and the concept of the industrial park.***

The decision and concept must be submitted to the Ministry of Economy of Ukraine within 5 working days from the date of the decision to create an industrial park.

### ***5. Submission to the Ministry of Economy of Ukraine of a package of documents for registration of the industrial park in the Register of Industrial Parks.***

The registration package should include:

- application for inclusion of the industrial park in the Register of Industrial Parks;
- the initiator's decision to create an industrial park;
- the concept of an industrial park;
- extract from the State Land Cadaster of Ukraine regarding the land plot and title documents for the real estate located on it (extracts from the register of real rights of Ukraine to real estate, purchase and sale agreement);
- name of the management company and participants (if any at the time of application).

### ***6. Inclusion of the industrial park in the Register of Industrial Parks of Ukraine.***

According to Ukrainian legislation, the process of including an industrial park in the Register of Industrial Parks should not exceed 45 working days from the moment the Ministry of Economy of Ukraine receives the application from the initiator. If the initiator was denied registration of the industrial park, he may apply to the Ministry of Economy of Ukraine again.

### ***7. Conclusion of an agreement on the creation and operation of an industrial park with a management company***

The initiator of the creation must notify the Ministry of Economy of Ukraine of the conclusion of such an agreement within three days from the date of conclusion (of the termination of the

agreement - on the day of termination). Information about the management company is included in the Register of Industrial Parks of Ukraine.

**8. Conclusion of agreements on the implementation of economic activities within the industrial park between the management company and the participants of the industrial park. Such an agreement must include, among others, the following conditions:**

- preferential use of labor of employees who are citizens of Ukraine;
- conditions, scope and procedure for the creation and improvement of engineering and transport infrastructure facilities and other facilities on the participant's land plot;
- investment obligations of the participant.

**9. Submission through the Ministry of Economy of Ukraine of a list of equipment and facilities intended for the arrangement and operation of the industrial park for approval by the Cabinet of Ministers of Ukraine.**

Such a list is necessary for exemption from import duty of equipment and supplies that will be imported into the territory of Ukraine for the development and operation of an industrial park.

To do this, the initiator of the creation (management company, participant) of the industrial park submits an application to the Ministry of Economy, to which it adds, including:

- copies of documents confirming the need to import goods. The initiator of the creation and the management company also submit a copy of the business plan of the industrial (industrial) park;
- list and volumes of goods necessary for the arrangement by the initiator of the creation (management company) of an industrial (industrial) park or the conduct of economic activities by the participant within the industrial (industrial) park.

The Ministry of Economy checks the submitted documents and agrees them with the Ministry of Finance, the State Fiscal Service, and relevant bodies, in particular, that the goods from the submitted list are not produced in Ukraine.

Herewith I hope to provide you with an appropriate and clear insight into the conditions and the procedure of creation and operation of industrial parks in Ukraine.

**Sincerely,**

**Andriy NAVROTSKIY, LL.M.**  
(Universität Augsburg)  
Rechtsanwalt, Attorney-at-law, CEO