

## UKRAINE ACTS TO REDUCE THE QUORUM REQUIREMENT IN LIMITED LIABILITY COMPANIES TO MORE THAN 50% OF VOTES

**On 24 November 2015 the Parliament amended the Law of Ukraine "On Business Associations" reducing the quorum for general participants' meetings in limited liability companies from more than 60% of votes to more than 50% of votes.**

The amendments include the following:

- a general participants' meeting in a limited liability company will now be competent to resolve on any issues of its agenda if it is attended by participants holding in aggregate more than 50% of votes; and
- limited liability companies without "state shareholding" may establish another quorum requirement (whether higher or, arguably, lower from a default "more than 50% of votes" requirement).

It is not clear from the law whether the "state shareholding" would include a shareholding by the state in a limited liability company through companies in which the state maintains a controlling shareholding.

The law is currently pending the President's signature and will come into force on the next day following its official publication.

For more details in Ukrainian please visit:

[http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=54988](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=54988).

### KEY ISSUES

Quorum in LLC's general participants' meetings will be reduced to more than 50% of votes

LLCs where the state does not have any shareholding will be able to set another quorum requirement in the charter

### CONTACTS

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