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(*Kyiv, Ukraine, April 4, 2006*). Recent adoption of a new **Law “On Securities and the Stock Market”** represents an important step forward for Ukraine’s financial sector, a development discussed in detail by Commissioner *Serhiy Biryuk* and Chief of Staff *Mihail Nepran* of the Ukrainian Securities and Stock Market State Commission (SSMSC) at a press conference today in the Interfax News Agency. Mr. Biryuk and Mr. Nepran were joined in this discussion of key elements of the new Law and Q&A with the media, by the SSMSC’s Director of Legislation Development and Methodology in the Securities Market Regulation Department, *Oleksiy Tarasenko*, and Head of the Office of Legislation Development and Relations with Governmental Authorities *Maksim Libanov*.

As the main Governmental organization responsible for securities markets regulation, the SSMSC played a lead role in developing and promoting passage of this legislation, which brings Ukraine further into line with international best practices. As Commissioner Biryuk stated, “The Law defines a procedure of registration the issued securities for both public and private placement; gives requirements to prospectus of securities emission, regulates the registration procedure of securities, determines requirements to public and closed placement of securities and provides reporting requirements on results of securities placement.”

Under the terms of the new Law, there will now be a much more clearly defined classification of securities, with the definition and regulation dictated by such issues as the term of placement (issue), structure, and method of issuance. The Law also defines major groups of securities: equity, debt, mortgage, privatization, derivative, and title of goods. Furthermore, the Law moves Ukraine significantly forward in the areas of information disclosure, calling for establishment of a modern system and requiring expanded disclosure by issues including: any holdings of 10% and more of voting shares; any decision to place of securities in an amount exceeding 25% of statutory capital; or any decision on redemption by the issuer of his own shares. Annual information on the issuer will also be made public and must be disclosed no later than April 30th of the year following the reporting year.

As Mr. Nepran stated, “The Law gives a definition of insider information and determines criminal liability for disclosure or using such sort of information. Our purpose is to make abuses on capital market impossible.” The new Law is expected to improve professionalism among market participants and support a more open, transparent and effective securities market.

On February 23, 2006 the Law “On Securities and Stock Market” was adopted by Verkhovna Rada; On March 28, 2006 the Law was signed by the President Victor Yushenko. It will become effective 30 days after official publication in the Rada’s “Voice of Ukraine” and/or the Cabinet of Ministers “Government Courier”.

For further information:

- text of the Law “On Securities and Stock Market”
http://www.capitalmarkets.kiev.ua/lib/sec_and_market_law.html
- web-site of the Securities and Stock Market State Commission
<http://www.ssmc.gov.ua/>