

LAW OF UKRAINE

On Organizations Receiving Funding from Abroad

Article 1. The Definition of Organization Receiving Funding from Abroad as Used in this Law

An organization receiving funding from abroad is an organization with the legal entity status that is registered in Ukraine in accordance with the procedure established by the law and which has for the past year received funds or other property from foreign states and their bodies, citizens, companies, establishments and organizations, or from legal entities registered in Ukraine that receive funds from foreign sources.

Article 2. Scope of Effect

1. The effect of this Law shall extend to public associations and the mass media.

2. Organizations founded by citizens of other states and foreign organizations shall be put on the same footing as organizations receiving funding from abroad.

3. Organizations receiving funding from abroad shall include those which conduct their activity with either complete or partial funding from abroad.

4. The effect of this Law shall not extend to religious organizations registered in accordance with the procedure established by the law, state-run enterprises, establishments, organizations, and economic associations.

Article 3. Restrictions Regarding the Establishment and Activity of Organizations Receiving Funding from Abroad

This Law prohibits the establishment and activity of organizations receiving funding from abroad, whose aims (goals) or actions are intended to eliminate the independence of Ukraine, change the constitutional order by violent means, violate the sovereignty and territorial integrity of the State, undermine its security, seize state power by illegal means, conduct propaganda of war, violence, and extremism, foment interethnic, racial or religious enmity, or infringe upon human rights and freedoms or the health of the population.

Article 4. Register of Organizations Receiving Funding from Abroad

1. In order to keep record of organizations receiving funding from abroad and ensure general access to information about such organizations, **the authorized body for registration issues shall maintain a Register of organizations receiving funding from abroad.**

2. The procedure of maintaining the Register shall be **established by the Cabinet of Ministers of Ukraine.**

3. Every organization which has since its registration or the day this Law takes effect received its first funding from abroad shall independently submit its request to be included in the Register of organizations receiving funding from abroad to the authorized body which took the decision to register it.

4. The Register of organizations receiving funding from abroad shall comprise data referred to in paragraphs one and two of Article 5 hereof.

5. The authorized body for registration issues shall ensure the openness and accessibility of the Register of organizations receiving funding from abroad.

Article 5. Form and Procedure of Reporting by Organizations Receiving Funding from Abroad

1. To ensure transparency, openness and publicity of their activity and gain confidence of Ukrainian society, organizations receiving funding from abroad shall submit their annual activity and financial reports to the **Ministry of Justice of Ukraine** and publish them in compliance with the forms approved by the **Cabinet of Ministers of Ukraine.**

2. The said annual financial report of an organization receiving funding from abroad shall reflect on a mandatory basis:

(a) the amount of funds and other property received from foreign sources in the past half-year, and the purposes of their use; and

(b) the amount of funds and other property received from foreign sources that was actually spent in the past half-year, and the purpose of their use.

3. Annual financial reports of organizations receiving funding from abroad shall be subject to obligatory audit by a Ukrainian audit firm at the expense of the organization. The auditor's opinion shall be submitted together with the financial report to the Ministry of Justice of Ukraine.

4. The Ministry of Justice of Ukraine shall annually submit its report about the activity of organizations receiving funding from abroad, their financial revenues and expenditures, and the results of control over their activity to the Verkhovna Rada for consideration at a plenary session.

5. Organizations receiving funding from abroad shall maintain bookkeeping records and financial and statistical reports, be registered with revenue and tax authorities, and make all mandatory payments to the budget provided for by the Tax Code and other legislation of Ukraine .

6. In their financial reports to **tax authorities**, organizations receiving funding from abroad shall separately show the total amount of free-of-charge revenue or revenue in the form of non-repayable financial aid or voluntary donation from foreign states and their bodies, citizens, companies, establishments and

organizations, or from legal entities registered in Ukraine that receive funds from foreign sources.

Article 6. Notification about Events Held and Materials Published (Disseminated) at the Cost of Foreign Sources

Any event held and any materials published or disseminated by an organization receiving funding from abroad shall be accompanied by making it known and a note to the effect that the event is held and the materials are published or disseminated by an organization receiving funding from abroad.

Article 7. Checking the Activity of Organizations Receiving Funding from Abroad

1. Checks of organizations receiving funding from abroad shall be made in accordance with the procedure established by the law.

2. The Ministry of Justice may make an unscheduled check of an organization receiving funding from abroad if the Ministry or the authorized body for registration issues has received reports from citizens, government bodies or local self-government bodies regarding the presence in its activity of signs listed in Article 3 hereof or its violation of the laws of Ukraine pertaining to the sphere of its activity.

Article 8. Liability of Organizations Receiving Funding from Abroad

If an organization receiving funding from abroad violates the requirements of this Law, the Ministry of Justice of Ukraine may take the following measures:

(a) imposing a fine in the amount of fifty (50) untaxed minimum incomes of citizens – if the organization fails to submit its request to be included on the Register of organizations receiving funding from abroad;

(b) suspending the organization's activity for a term of one quarter, including a ban to conduct any events and disseminate materials and use its bank accounts except to make obligatory payments provided for by the law – if it fails to submit reporting provided for by paragraphs one and two of Article 5 hereof; or

(c) prohibiting the organization by a court of law in response to an action brought by the Ministry of Justice of Ukraine – if signs of violating the requirements of Articles 36 and 37 of the Constitution of Ukraine, Article 3 hereof and other laws are established. Prohibition of a public association shall entail termination of its activity in accordance with the procedure established by Ukrainian law.

FINAL AND TRANSITIONAL PROVISIONS

I. To introduce the following changes to the Law of Ukraine On Public Associations of March 22, 2012 (#4572-VI):

Unofficial Translation by ICNL

1. To amend paragraph one of Article 17 of the Law to read as follows:

“1. To maintain records of public associations and ensure general access to information about public associations, the authorized body for registration matters shall keep the Register of Public Associations and the Register of Nonprofit Organizations Funded from Abroad”;

2. To add a new paragraph three to Article 23 of the Law reading as follows:

“3. Public associations receiving financial support from abroad shall submit their annual activity and financial reports to the Ministry of Justice and make them public.”;

3. To regard paragraph three of Article 23 as its paragraph four;

4. After the words “of Article 4 of this Law” in paragraph one of Article 28, to add the words “and Article 3 of the Law of Ukraine On Organizations Receiving Funding from Abroad”;

II. To make the following changes to the Law of Ukraine On Political Parties in Ukraine of April 5, 2001 (#2365-III):

1. In paragraph four of Article 14 of the Law, to amend its clause five to read as follows:

“(5) organizations receiving funding from abroad;”;

2. To regards clauses five and six of Article 14 of the Law as its clauses six and seven.

III. To make the following changes the Law of Ukraine On Access to Public Information of January 13, 2011 (#2939-VI):

1. In paragraph one of Article 13 of the Law, to add a new clause five reading as follows:

“(5) public associations and the mass media.”;

2. In Article 14 of the Law, to add a paragraph two reading as follows:

“2. The scope of effect of clauses one and six of paragraph one of this Article shall extend to public associations and the mass media.”;

3. In Article 15 of the Law, to add a new paragraph five reading as follows:

“5. Public associations and the mass media shall be obliged to make public the information about their location, mailing address, communication numbers, official website and electronic mail addresses, the main objectives and areas of activity, governing bodies and their personal composition, and the amount of financial resources and the purposes of their use, indicating the total amount of funding received from abroad in the past half-year as a mandatory requirement.”.

IV. This Law shall take effect from the day of its publication.

V. The Cabinet of Ministers of Ukraine shall:

ensure that its own rules and regulations and those of ministries and other central bodies of executive power be brought in line with this Law within a period of one month;

approve the procedure of maintaining the Register of organizations receiving funding from abroad within a period of three months; and

approve the forms of annual activity and financial reports of organizations receiving funding from abroad to the Ministry of Justice of Ukraine a period of three months.

VI. The State Taxation Service of Ukraine shall:

ensure that changes be made within one month to Order #56 of the State Tax Administration of Ukraine of January 31, 2011 On Approving the Form and Procedure of a Tax Report on the Use of Funds of Nonprofit Establishments and Organizations to establish the mandatory requirement that the tax report contain information about the total amount of free-of-charge revenue or revenue in the form of non-repayable financial aid or voluntary donation and the amount of free-of-charge revenue or revenue in the form of non-repayable financial aid or voluntary donation from foreign states and their bodies, citizens, companies, establishments and organizations, or from legal entities registered in Ukraine that receive funds from foreign sources.

V. Rybak

Chairman of the Verkhovna Rada of Ukraine