

# E-declarations verification

## Background

Information submitted to the e-declarations registry is to be verified for conformity with information in other public registries. NACP has to publish progress reports on declarations verification. NACP also has to initiate administrative proceedings for the submission of false information or transfer information to NABU if the violation constitutes a criminal offence.

## Timeline

### **Analysis of the CCU's decision of October 27 and possible solutions to the crisis it provoked**

02.11.2020

On October 27, the Constitutional Court of Ukraine (hereinafter - CCU) declared unconstitutional the main provisions of Ukraine's anti-corruption reform on e-declaration system, which shocked Ukrainian society, the expert community and the authorities. This decision repeals a number of provisions of anti-corruption legislation without any justification in the motivational part. In making this decision, the [...]

### **Constitutional Court destroyed system of electronic asset declarations. Analysis of the decision**

28.10.2020

Today, October 28, the full text of the decision of the Constitutional Court of Ukraine on electronic asset declaration system was published. It is clear from the text of the decision that the Constitutional Court not only abolished the criminal responsibility for lying in the e-declarations, but in fact destroyed the entire system of e-declarations [...]

### **The Supreme Court endangers electronic declarations again**

10.02.2020

On January 28, 2020, the Supreme Court of Ukraine upheld the decision of the Court of Appeal of Cherkasy region, which had cancelled the conviction regarding the tax inspector for failure to submit e-declaration because of her religious beliefs. Such decisions threaten to fail the e-declaration system and, therefore, threaten fight against corruption in Ukraine, [...]

## **NACP attempts to misuse automatic verification of e-declarations through regulations - Declaration Under Control initiative**

25.01.2019

Declarations Under Control Initiative On December 21, 2018, the National Agency on Corruption Prevention (NACP) amended the document that determines the procedure for verification of electronic declarations. These changes were triggered by the introduction of an automated declaration verification system which aims to simplify and improve the effectiveness of verifications. However, the analysis of [...]

## **Judge of the Economic Court of the Kharkiv region Iryna Popovych received notice of suspicion of declaring false statements**

14.11.2018

Upon Automaidan's investigation, AntAC lawyers appealed to the National Anticorruption Bureau of Ukraine with the request to check the e-declaration of judge of the Economic Court of the Kharkiv region Iryna Popovych. During the investigation, NABU detectives found out that the judge deliberately filed in her 2015 declaration false information about the property, which was used [...]

## **The court abolished decision of the SAPO regarding closure of General Tkachuk's case**

30.08.2018

The court abolished decision of the Specialized Anti-Corruption Prosecutor's Office to close a criminal proceeding on alleged illicit enrichment and declaration of false information by Chief of National Land Forces Academy, Lieutenant-General Pavlo Tkachuk. This decision was made on August 29, by a panel of judges of Kyiv Court of Appeal, writes in Facebook Yevheniya [...]

## **NABU is still deprived of full access to e-declarations registry**

30.08.2018

On August 30 NABU informed that they still don't have full access to the e-declarations registry. They were groundlessly deprived of such an access by the NACP. Though Recommendation 12 of the 4th round of monitoring of the Istanbul Anti-Corruption Action Plan stated that Ukraine has to "ensure that NABU has direct access to the asset [...]"

## **MPs want to abolish notices of significant changes in the property status**

09.08.2018

There was registered in the Verkhovna Rada a draft law aimed at lifting public officials of obligation to e-declare significant changes in their property status. The bill was initiated by MP Serhii Shahov from the party Volya Narodu. In case this draft law is adopted, declarants will no longer have to submit information on their income [...]

## **SAPO closed a criminal case regarding false statements in the e-declaration submitted by an MP**

25.07.2018

On July 24, 2018, SAPO prosecutor closed a criminal case regarding submitting false statements in the e-declaration by the Member of Parliament Dzendzerskyi. The MP failed to declare information about his financial obligations amounting to 4 billion UAH (around 153 million USD). NABU reports that the decision was made based on “scientific explanations” regarding interpretation [...]

## **Newly appointed Head of Donetsk Oblast Administration did not file an assets declaration**

29.06.2018

Newly Appointed Head of the Donetsk Oblast State Administration Oleksandr Kuts did not file an income and assets declaration, presumably hiding behind his work in the SBU. On June 22, President of Ukraine Petro Poroshenko signed a Decree on the appointment of Oleksandr Kuts as the head of the Donetsk Oblast State Administration. He previously [...]

## **NABU handed a notice of suspicious to economic court judge**

15.06.2018

Lawyers of the NGO «AntAC» sent an appeal to NABU reporting the offence under the Article 361 of the Criminal Code of Ukraine (false statements in e-declarations) allegedly committed by the economic court judge. AntAC repeatedly applied to NABU requesting to check the declaration submitted by Iryna Popovych, judge of Kharkiv regional economic court. On May 30, [...]

## **The European Parliament voted to support new MFA for Ukraine, conditioned on anticorruption deliverables**

14.06.2018

European Parliament informs that a €1 billion macro-financial loan to help Ukraine cover part of its external financing needs in 2018-2019 was approved by Parliament on Wednesday, June 13. €1 billion loan to cover an external financing gap in 2018-2019 To be disbursed in two instalments over 2.5 years, provided Ukraine takes certain policy measures Parliament [...]

## **EU-Ukraine Parliamentary Association Committee Seventh**

# Meeting

20.04.2018

18-19 April 2018 Strasbourg FINAL STATEMENT AND RECOMMENDATIONS pursuant to Article 467(3) of the Association Agreement The seventh meeting of the EU-Ukraine Parliamentary Association Committee (PAC) was held in Strasbourg on 18-19 April 2018, and was co-chaired by Mykola Kniazhytskyi on behalf of the Verkhovna Rada of Ukraine and Dariusz Rosati on behalf of [...]

## **“Declarations Under Control” coalition: Parliament may cancel e-declarations for law enforcement and other state agencies**

20.03.2018

Sasha Drik, Coalition “Declarations Under Control” coordinator On Monday, March 19, the acting Chair of Rada Committee on Corruption Prevention Yuriy Savchuk called for an urgent inclusion in Parliament’s plenary week agenda a draft law that is claimed to solve the procedure of submission of e-declarations for Ukrainian intelligence officers. However, under the guise [...]

## **NACP obliges individuals who received free pens or presentation materials to submit e-declarations**

20.03.2018

While Council of Europe’s Venice Commission harshly criticizes provisions that oblige anticorruption activists to submit their electronic asset declarations demanding their abolishment, the National Agency for Corruption Prevention gave explanation instructing to submit e-declarations even individuals who participated in educational anticorruption trainings, received presentation handouts, stationery, food etc. Translation of the excerpt of NACP’s letter to the Automaidan is [...]

## **Draft law on limiting NABU’s powers successfully stopped**

09.02.2018

Due to joint response of the European partners consideration of the detrimental draft law No7315 that would subordinate NABU to NACP in investigating illicit enrichment and false statements in e-declarations was postponed. Background information.

## **NABU issued the first indictment following e-declaration investigation**

02.02.2018

On January 26, NABU filed to the court indictment in illicit enrichment regarding a former judge, issued following investigation of his e-declaration. The ex-judge is indicted in fraud in asset declaration and illicit enrichment worth of 17 million UAH. This is the first case following analysis of public officials’ e-declarations to be sent to the [...]

## **Olena Halushka: Ukrainian society, West will have to push even harder for reform in 2018**

18.01.2018

There is little chance that the political environment will improve in 2018 for strong reform and a strong fight against corruption, as politicians are becoming consumed by the 2019 presidential and parliamentary elections. At the same time, in the next two years, Ukraine will need to repay more than \$3 billion in debt to the [...]

## **Parliament dismisses Anticorruption Committee Chairman Yegor Soboliev**

08.12.2017

On its sitting on December 6 coalition of 12 Poroshenko's, Narodnyi Front's and Oppoblock's MPs pulled through the Anticorruption Committee the decision on initiating dismissal of Soboliev from the position of the Committee's Chairman allegedly because he failed to organise the work of the committee. In fact, they sought for a pretext to pass a no-confidence motion against Soboliev – MPs [...]

## **European Commission refuses to provide 3rd MFA tranche to Ukraine, ready to consider further programs**

02.12.2017

Given that Ukraine has not implemented 4 commitments, including introduction of automatic verification of the electronic asset declarations and verification of beneficial ownership data, the European Commission will not disburse the last tranche of the current Macro-Financial Assistance programme. At the same time, the Commission is ready to consider further MFA to Ukraine. But from Ukraine's side it [...]

## **E-Declarations registry will be audited**

30.11.2017

Having failed to introduce e-declarations automatic verification system, on November 29 NACP announced a tender for an audit of the e-declarations registry. Tender applications are to be collected by December 4, audit to be completed by December 22. Given previous constant critical rhetorics of the NACP regarding e-declarations system, the results of the audit might [...]

## **Upon AntAC's requests NACP starts verification of five declarations**

27.10.2017

Upon the requests of the Anticorruption Action Centre NACP started full verification of electronic asset declarations of following officials: Oleksandr Nykytyuk, deputy dean of the National Medical University In his 2016 declaration Nykytyuk failed to indicate his corporate rights, but according to the Unified register

of legal entities he co-founded the “Labor union “Agroservice” company [...]

## **National Police’s actions regarding drawing up administrative reports on corruption-related offences are not regulated**

25.10.2017

The authority to draw up reports on committing corruption-related administrative offences is restricted to the officers of the National Agency for Corruption Prevention (NACP) and the National Police. Meanwhile the Security Service of Ukraine (SBU) and the Prosecutor’s Office (PGO) were deprived of the right to draw up such reports under the similar articles due [...]

## **NACP verified 80 e-declarations in total**

19.10.2017

NACP initiated verification of e-declarations of certain officials following the requests from AntAC. Namely, declarations of the Head of Poltava regional police, deputy dean of the National Medical University, dean of the Odessa Economic University and one judge shall be verified by NACP. In the meantime, since November 2016 NACP managed to verify up to [...]

## **From a key anticorruption tool e-declaration system may turn into a problem**

30.09.2017

Without further verification of electronic declarations and prosecution for illicit enrichment and false statements, the results of the reform only cause frustration in society. From a key anti-corruption tool e-declaration system would turn into a problem. The experts call on the international partners, and the European Union in particular, to closely monitor the reform, which is Ukraine’s commitment [...]

## **E-declaration system will have a limited impact without efficient declarations verification**

29.09.2017

By launching a system of electronic declaration and monitoring of property, revenues and expenditures of public servants in September 2016, Ukraine has made a huge step in the fight against corruption. It was this reform that played a key role in making the final positive decision by the EU countries to grant Ukrainians a visa-free [...]

## **What are the roadblocks for e-declarations verification?**

29.09.2017

By Olena Halushka Late October 2016, reformers were celebrating a true anticorruption breakthrough. In spite of some 12 creative attempts to kill electronic system of asset disclosure it was fully launched and all

the top officials of the state were forced to submit e-declarations. In fact, it is this specific reform that played a key [...]

## **Ukraine sold eurobonds: no more miracle making?**

22.09.2017

The news that the Government of Ukraine sold 3 billion USD Eurobonds with a 7.375% annual yield causes mixed feelings. On one hand, this is the confirmation of the right direction Ukraine's economic reforms are moving to. On the other hand, this is far not the cheapest money Ukraine can get: thus, interest rate of [...]

## **“To be or not to be...” - E-declarations for anticorruption activists**

20.09.2017

On September 20 the Anticorruption Committee recommended that Yuliya Tymoshenko's bill No6271 is adopted by the Parliament in full. This bill abolishes e-declarations for anticorruption activists and doesn't introduce any additional reportings. Both President's bills on e-declarations for activists and tax reporting for the NGOs were not considered. We call on the Rada to adopt bill [...]

## **E-declarations for anticorruption activists: new task force**

08.09.2017

On September 7 President Poroshenko in his address to the Parliament called on the MPs to adopt his draft laws on abolishment of e-declaration requirement for anticorruption activists. However, in mid-July faction of Poroshenko's Block did not support even inclusion of these draft laws in the agenda of the session. At the same time, on [...]

## **Notorious ex-official of PGO detained in Boryspil airport**

26.07.2017

On July 25 NABU and SAPO detained notorious ex-official of the Prosecutor's General Office Dmytro Sus in Boryspil airport when he tried to leave the country. Sus was notified of suspicion in embezzlement of funds by abuse of office and fraud in e-declaration. However, instead of arresting Sus on July 27 the court obliged him to [...]

## **Security Service of Ukraine unlawfully takes authority to verify e-declarations of its staff**

26.07.2017

The Security Service of Ukraine (SSU) informed that it had conducted an investigation following the media story about luxurious cars of SSU officials, but had not identified facts of illicit enrichment. However, the SSU does not have the authority either to verify asset declarations or to investigate illicit enrichment of its

officials. According to the law, verification of [...]

## **NACP verified e-declarations of 10 Members of Government**

26.07.2017

NACP verified first 29 asset declarations out of more than 1 million, submitted by public servants and other declarants. Among these are declarations of 10 Members of the Government (Minister of Defence Mr Poltorak, Minister of Social Policy Mr Reva, Minister of Informational Policy Mr Stets, Minister of Energy Sector Mr Nasalyk, Minister of Culture Mr Nyshchuk, Deputy Prime-Minister [...])

## **NABU hands first notice of suspicion for false information in e-declaration**

26.07.2017

The first suspect in the course of investigation of illicit enrichment and false statements in e-declaration is a retired judge from Luhansk region. According to the investigation, retired judge failed to submit to his e-declaration for 2015-2016 information on vehicles and real estate objects, which he uses, as well as on the property owned and [...]

## **Results of “first wave” declarations check not yet published**

21.06.2017

NACP refuses to publish results of checks of the declarations of “first wave” almost a year after their submission. No final decisions are made even though formal procedures are already completed. The experts believe NACP is afraid to take responsibility for their actions.

## **96 declarations of 2015 only are being fully checked**

11.05.2017

NACP conducts the full check of only 96 e-declarations of 2015. NACP claims they do not have enough resources to automatically check the rest of the declarations of that period.

## **NACP starts to verify e-declarations**

10.02.2017

Four months after the end of “the first wave of declaring” NACP managed to approve the procedure of verification of declarations. Due to the lack of access to the other state registries the verification is done manually and none of the declarations is checked fully

[http://espresso.tv/news/2017/03/29/u\\_nazk\\_govoryat\\_scho\\_ne\\_perevirly\\_zhodnu\\_deklaraciyu\\_v\\_povnomu\\_obsyazi](http://espresso.tv/news/2017/03/29/u_nazk_govoryat_scho_ne_perevirly_zhodnu_deklaraciyu_v_povnomu_obsyazi)



# Documents

## MFA

Operate a fully functional verification system for electronic asset declarations of persons authorised to perform functions of the state and local self-government proving effective in detecting undeclared income and assets, based on automated verification software and automated access to information held in relevant state registers. On this basis, verify at least 1,000 declarations of high-level officials (including from the executive, the Parliament and the judiciary) and adopt the corresponding verification decisions (MFA second instalment)

Full doc: [https://ec.europa.eu/info/sites/info/files/economy-finance/mou\\_protocol\\_version\\_eu.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/mou_protocol_version_eu.pdf)

## MFA

To put in place an automated verification system for electronic asset declarations of persons authorised to perform functions of the state and local self-government and thereby detect and prevent corruption, the Ukrainian authorities will (a) ensure the upgrade of the verification module to enable logical and arithmetic control of electronic asset declarations, obtaining the necessary certificate of compliance for this module, take ownership of the module and put it into operational use, and (b) conclude the technical protocols on automatic data exchange between the verification module and relevant state registers and establish these connections (MFA first instalment)

Full doc: [https://ec.europa.eu/info/sites/info/files/economy-finance/mou\\_protocol\\_version\\_eu.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/mou_protocol_version_eu.pdf)

## MFA

Set up an electronic asset disclosure system of public officials, including a verification mechanism, while starting to verify assets and possible conflicts of interest on the basis of paper-based asset declarations submitted by officials in 2015

Full doc:

[http://ec.europa.eu/economy\\_finance/international/neighbourhood\\_policy/doc/mou\\_eu\\_ukraine\\_en.pdf](http://ec.europa.eu/economy_finance/international/neighbourhood_policy/doc/mou_eu_ukraine_en.pdf)

## IMF

"To monitor progress made in verifying asset declarations of high-level officials, NAPC will publish statistics on a quarterly basis starting on a webpage freely available to the public" para 26

Full doc: <https://www.imf.org/~media/Files/Publications/CR/2017/cr1783.ashx>

## VLAP

"Ensure that the National Agency for Prevention of Corruption is fully operational in the first quarter 2016 and verification of assets and potential conflicts of interests of public officials in areas and positions most vulnerable to corruption will be launched immediately after" para 2.3.1.3

Full doc: <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-905-EN-F1-1.PDF>

## VLAP

“Put in place procedures to ensure:... effective verification of assets and conflicts of interest of public officials” para 2.3.1.3

Full doc:

## SBC

“Strengthened integrity and accountability in the public sector through improved and effectively enforced procedures for declaration and verification of incomes, assets and expenses and for the prevention of conflict of interests of different categories of public officials.” para 3.2

Full doc:

# Documents

## Visa Suspension Mechanism

As of October 2018, a total of 2.7 million declarations have been registered in the electronic declaration system managed by the NAPC. However, progress in their verification remains very slow. NAPC has not yet produced a convincing track record of effectively verified declarations of high-level officials...

The regulatory framework is currently overly restrictive, notably limiting the ability for in-depth verification of electronic declarations due to short time frames, and risking possible impunity of declarants by precluding the possibility of reopening verification decisions if new circumstances become known. While this is an important step forward, further work is needed for the effective functioning of the verification system, among others by developing an adequate regulatory framework and by ensuring that all relevant state registers are included in the automatic verification process.

Full doc: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-ag-nda-migration/20181219\\_com-2018--56-report\\_en.pdf?utm\\_source=International+partners&utm\\_campaign=a379fd4597-EMAIL\\_CAMPAIGN\\_29\\_12\\_2017\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_2e2aa5132c-a379fd4597-82028643](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-ag-nda-migration/20181219_com-2018--56-report_en.pdf?utm_source=International+partners&utm_campaign=a379fd4597-EMAIL_CAMPAIGN_29_12_2017_COPY_01&utm_medium=email&utm_term=0_2e2aa5132c-a379fd4597-82028643)

## Visa Suspension Mechanism

Overall, the visa liberalisation benchmarks continue to be fulfilled. In the First Report under the Visa Suspension Mechanism, the Commission noted that in view of recent developments immediate actions needed to be taken in order to ensure full implementation and sustainability of past reforms in particular as regards the anti-corruption benchmark... The following areas need to be addressed:

- Establish a fully functioning system for the verification of asset declarations, notably by ensuring automated access to all remaining registers and databases, in order to produce a convincing track-record of effectively verified declarations;

Full doc: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-ag-nda-migration/20181219\\_com-2018--56-report\\_en.pdf?utm\\_source=International+partners&utm\\_campaign=a379fd4597-EMAIL\\_CAMPAIGN\\_29\\_12\\_2017\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_2e2aa5132c-a379fd4597-82028643](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-ag-nda-migration/20181219_com-2018--56-report_en.pdf?utm_source=International+partners&utm_campaign=a379fd4597-EMAIL_CAMPAIGN_29_12_2017_COPY_01&utm_medium=email&utm_term=0_2e2aa5132c-a379fd4597-82028643)

## **OECD**

Ensure that the NABU has direct access to the asset declaration database in line with the Article 17 of the Law on NABU and is able to use it for the effective execution of its functions (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## **OECD**

Abolish amendments subjecting a broad range of persons that are not public sector employees (i.e. members of NGOs, activists, experts) to asset disclosure requirements (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## **OECD**

Ensure that verification is carried out systematically and without improper outside interference with the focus on high-level officials (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## **OECD**

Ensure that the actions are taken proactively on the alleged violations disclosed through the e-declaration system and that cases with the signs of criminal activity are dully referred to the law enforcement for the follow up (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## **OECD**

Amend verification procedure to address its shortcomings, adopt the lifestyle monitoring regulation, ensure automated verifications of asset declarations by the NACP and implement data exchange between the asset declarations system and state databases to support automated verification (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## OECD

Ensure integrity, full and unimpeded functioning of the electronic asset declaration system allowing timely submission of asset declarations, disclosure of asset declarations, including in open data format. Ensure that any exceptions for disclosure are directly envisaged by the CPL (Recommendation 12: Asset Declarations, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## OECD

Ensure that the NACP has the direct access to all databases and information held by public agencies necessary for its full-fledged operation (Recommendation 3: Corruption prevention and coordination institutions, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>

## Visa Suspension Mechanism

Overall, the visa liberalisation benchmarks continue to be fulfilled. However, in view of recent developments, immediate actions need to be taken in order to ensure full implementation and sustainability of past reforms, in particular as regards the anti-corruption benchmark. The following areas need to be addressed:

- Restore as a matter of urgency the credibility of the NAPC and establish an effective verification system of asset declarations, including through the automatic verification software with direct and automatic access to state databases and registers;

Full doc: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what--s-new/news/20171220\\_first\\_report\\_under\\_suspension\\_mechanism\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what--s-new/news/20171220_first_report_under_suspension_mechanism_en.pdf)