

Map of **ANTICORRUPTION CONDITIONALITIES**

MFA

The EU Macro-financial Assistance (MFA) is a form of financial aid extended by the EU to partner countries experiencing a balance of payments crisis and is only available to countries benefiting from a disbursing IMF programme. Since the outbreak of the crisis in early 2014, the European Commission has mobilised a total of EUR 3.4 billion in macro-financial assistance to Ukraine through three consecutive programmes of low-interest loans. This represents the highest amount ever made available by the EU to a third partner. Out of these EUR 3.4 billion, 1.61 billion were disbursed in 2014 and 2015 under the first two MFA operations (MFA I and II). In April 2015, the EU decided to provide a third MFA programme of up to EUR 1.8 billion to Ukraine (MFA III), under which a final tranche of EUR 600 million remains available. Ukraine and the EU jointly signed a Memorandum of Understanding outlining the policy programme attached to the MFA operation. This programme largely builds on the reform agenda pursued by the Ukrainian authorities and covers a broad range of areas, including public finance management, governance and transparency, the energy sector, social safety nets, business environment and the financial sector. The anti-corruption conditionalities is important part of the fulfilment of Memorandum requirements.

Standarts

Corruption investigation and prosecution

Access to information

- Verification of beneficial ownership

Asset recovery

Corruption Prevention

Public procurement

Documents

Progress in making the High Anti-Corruption Court of Ukraine operational in line with the law “On the High Anti-Corruption Court” notably by (a) making significant progress with the selection of qualified and independent judges for this Court (at least submission by the High Qualification Commission of Judges of Ukraine to the High Council of Justice of the recommendations on the appointment of candidates for judge according to the results of the competition), and (b) ensuring that the Court has the financial resources to conduct its mission as prescribed by the law.

Full doc: https://ec.europa.eu/info/sites/info/files/economy-finance/mou_protocol_version_eu.pdf

In the draft 2019 budget to be submitted to the Parliament of Ukraine by 15 September 2018, the Ukrainian government will include an amount for the High Anti-Corruption Court of Ukraine that is appropriate for its effective and independent functioning. The Ukrainian authorities will also launch the processes of selection of members of the Public Council of International Experts and of judges of the High Anti-Corruption Court of Ukraine (MFA first instalment)

Full doc: https://ec.europa.eu/info/sites/info/files/economy-finance/mou_protocol_version_eu.pdf

To ensure an improved framework for fighting and preventing money laundering, adopt an anti-money laundering law in line with the EU-Ukraine Association Agreement. The anti-money laundering law will, in particular, oblige reporting entities (such as banks, notaries and lawyers) to report, to the specially designated agency, on discrepancies between, on the one hand, data on clients’ ultimate beneficial owners (controllers) contained in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations and, on the other hand, information received by the reporting entities as a result of due diligence of their clients (MFA second instalment)

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To ensure effective verification of information on companies’ beneficial ownership in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations, amend the company registration process so as to require - whenever a legal entity seeks to register or change its entry - additional information on beneficial ownership, notably (a) the type of beneficial ownership, (b) the percentage of each beneficial owner’s interest, (c) a description of the ownership structure in case a legal entity is not directly and wholly owned by its members/shareholders, and (d) a reasoned explanation in case no beneficial owner can be stated (MFA first instalment)

Full doc: https://ec.europa.eu/info/sites/info/files/economy-finance/mou_protocol_version_eu.pdf

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

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

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

“Establish a National Anti-Corruption Bureau, a Specialized Anti-corruption Prosecution Office and a National Agency for the Prevention of Corruption, ensuring that they are independent and operational, i.e. endowed with financial resources, staff and equipment required to perform their functions.” para 6 Annex 1

Full doc:

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“In order to ensure that officials accused of corruption cannot benefit from the proceeds of their corruption offences: (i) designate an institution to act as Asset Recovery Office; and (ii) adopt operational guidelines, including a framework for inter-agency cooperation, for the implementation of extended and civil confiscation provisions.”

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"Following the establishment of an online database on beneficial ownership of companies, put in place

mechanisms to verify, post-registration and on a selective basis following clear criteria, the accuracy of the information provided by companies and enforce compliance with this obligation."

Full doc:

http://ec.europa.eu/economy_finance/international/neighbourhood_policy/doc/mou_eu_ukraine_en.pdf