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Legal Person: Lexalers LLC | FOP Kramar

EDRPOU: 41844803

ADDRESS: Razina 8, Khmelnytskyi, 29000, Ukraine

EMAIL: office-serafilawyers@proton.me

SKYPE: serafimlawyers

PHONE: +38-067-537-04-09

WHATSAPP: +38-067-537-04-09

VIBER: +38-067-537-04-09

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To: Newsletter | Memorandum

Project: Memorandum on Establishing a Non-Governmental Organization in Ukraine

Client: Newsletter | Memorandum

Dear Sir or Madam,

Below please find the Memorandum on Establishing a Non-Governmental Organization in Ukraine

Ukraine is currently experiencing a time when civil activism is not just welcome - it is necessary. Foreign volunteers, donor organizations, and enterprising individuals who seek to truly help in the restoration and development of Ukraine often face the need to have a legal tool for their activities.

Creating a non-profit (non-governmental) organization in Ukraine is one of the most effective ways to do this.

1. Main legal forms of NGOs

Ukrainian legislation provides for several forms of non-profit (non-governmental) organization.

The most common among foreigners are:

- a. public associations (union or organization)
- b. charitable foundations.

Both forms serve the public interest, but have several different conditions for creation and maintenance.

Public organizations - usually unite people with a common goal - education, social support, volunteering.

Charitable foundations - mostly focus on fundraising and providing assistance. Despite wider opportunities for attracting funding, foundations require greater reporting and control.

2. Who can create an NGO?

Both Ukrainian citizens and foreigners can create an NGO in Ukraine.

To create a public organization, a minimum of two individuals are required.

Foreigners can be founders if they have legal grounds for staying in Ukraine or act through a representative - a resident of Ukraine with a notarized power of attorney.

A charitable foundation can be created by even one person - an individual or a legal entity.

The procedure for creating both NGOs is quite similar, so let's consider the example of registering a public association.

3. What is the procedure?

True public activity begins with the registration of a public association.

Ukrainian legislation distinguishes between two types of publics:

- public organization
- public association.

The difference is that the founders of a public organization are individuals, while those of a public union are legal entities. Members of a public union can be legal entities and individuals.

Registration of a public association begins with the formation of the purpose of creating a public organization/union. The purpose of creating an organization/union is entered in the register of public formations. The purpose of creating an organization must be thought out in detail, because it will set the vector of public work for the organization.

The next stage of creating a public organization/union is to approve the goals and objectives of the public organization. Goals and objectives are developed in accordance with the purpose of creating the organization and are interdependent.

The next step towards public activity is to develop the organization's charter. In accordance with the Law of Ukraine "On Public Associations" (hereinafter referred to as the Law of Ukraine "On Public Associations").

The charter of a public organization/union must contain:

1. Name of the public association.
2. Purpose (goals) and direction of activity.
3. Procedure for acquiring and terminating membership in a public organization.
4. Powers of the manager, the highest management body, and other management bodies.
5. Frequency of meetings and decision-making procedure by the governing bodies of a public association.
6. The procedure for reporting by the governing bodies of a public association to its members (participants).
7. Procedure for appealing decisions, actions, inaction of the governing bodies of a public association and considering complaints.
8. Sources of income and procedure for using funds and other property of a public association.
9. Procedure for the creation, operation and termination of separate units of a public association.
10. Procedure for amending the charter.
11. Procedure for making a decision on self-dissolution or reorganization of a public association.

After preparing the draft Charter, the constituent assembly of the public organization is held, where among the most important decisions is the decision to establish the public organization and its purpose.

The next stage of registration, after the constituent assembly, is the stage of registration of a public organization/union. State registration of a public association is carried out by the relevant territorial divisions of the Ministry of Justice of Ukraine.

The completion of the state registration stage is the entry of your public organization/union into the unified state register of legal entities, individual entrepreneurs and public formations and the assignment of a Unified State Register of Public Organizations (EDRPOU) code to you.

The last step in registering a public organization/public union is to obtain a certificate of state registration from the bodies of the Ministry of Justice of Ukraine (this document confirms the state registration of the public organization/union) and obtain the status of a non-profit organization. The non-profit status is granted by the State Tax Inspectorate within 14 calendar days from the date of submission of the application. This exempts the NGO from income tax and allows it to legally receive donations. If this step is skipped or done incorrectly, the organization may be treated like a regular taxpayer.

4. What should be considered when creating?

- ✓ Opening a bank account is mandatory for carrying out financial transactions.
- ✓ Ukrainian banks usually require the personal presence of a manager or a trusted person.
- ✓ It is also worth obtaining an electronic digital signature (EDS) to submit reports and use government portals.
- ✓ Keeping accounts and submitting annual reports is mandatory for all NGOs

5. Public Association vs. Charitable Foundation

To summarize: both forms have their advantages, but most foreign initiatives choose a public associations - it is easier to create and easier to manage, especially at the start of activities in Ukraine.

6. Comparison table: Public Association and Charitable foundation

Characteristic	Public Association	Charitable Foundation
Minimum Founders	2 people	1 individual or legal entity
Main Purpose	Shared goals among members	Raising and distributing donations
Fundraising	Limited, member-based	Active, wide-scope fundraising
Bureaucracy Level Best For	Lower Volunteer, educational projects	Higher Humanitarian aid and financial grants

This memorandum is designed to help you familiarize yourself with the main stages of establishing an NGO in Ukraine. If you need personal advice or legal support, our team is at your service.

Sincerely,

Andriy Navrotskyi

Andriy NAVROTSKIY, LL.M.
(University of Augsburg,)
Rechtsanwalt, Attorney-at-law, CEO