



BUSINESS: EDITORIAL

Ivan V. Nagorniak, MSc, PhD, *Section Editor*

Including Shareholders to Your Private Practice in Oral Surgery and Dentistry: Ukrainian Laws

Ivan V. Nagorniak

Dental clinic/office launch and development is non-easy task, which require not only a lot of efforts but also some level of the investments, especially for the commercial real estate and expensive equipment. And very often the amount of finances which one person or family is bringing to business may not be sufficient. Including of shareholders can help to reach that goal. Including the partners (ie, co-founders or shareholders) to your private clinic/office in a legal form of Limited Liability Company (LLC) are possible upon two stages: (1) upon the business launch and (2) upon the business existence. The second variant is more complicated and has to be analyzed.

In general, the relationships between the participants (also known as *shareholders* or *co-founders*) of the LLC are regulated by two laws: (1) the Law of Ukraine of February 6, 2018 # 2275-VIII "On Limited and Additional Liability Companies"¹ and (2) the Law of Ukraine of May 15, 2003 # 755-IV "On State Registration of Legal Entities, Individual Entrepreneurs and Public Associations."²

The Law # 2275-VIII establishes the rules for

the sale of share in the *charter capital*³ [synonyms: *authorized capital, share capital*] of LLC.⁴ And the Law # 755-IV defines the registration methods of corporate rights alienation and the procedure for state registration of changes of the company's participants and/or their shares in the charter capital.⁴

According to the Law # 2275-VIII, there are three main rules (for the participants of the company) for the paid alienation of corporate rights⁴:

1. The participant of the company has a preemptive right to purchase a share of another participant, which is sold to a third party (Part 1, Article 20).¹ Interestingly, that according to Part 3, Article 21, the charter may establish that participants do not have a preemptive right.¹
2. The participant of the LLC who seeks to sell his share to a third party must notify other shareholder of this company in writing form (Part 3, Article 20).¹
3. The company's participant may sell her/his share in the charter capital of the LLC only if it is paid (Part 3, Article 21).¹

MSc, PhD, Head Doctor, Private Entrepreneur Nagorniak I.V., Kyiv, Ukraine

Author's address: Private Practice (Certificate for management system according to ISO 9001:2015 – Private Entrepreneur Nagorniak I.V.), 6-G Andruschenka Street, Office 6, Kyiv 01135, Ukraine.
E-mail: ivan.nagorniak@gmail.com

Please cite this article as: Nagorniak IV. Including shareholders to your private practice in oral surgery and dentistry: Ukrainian laws. J Diagn Treat Oral Maxillofac Pathol 2021;5(12):135–6.

Paper received 11 November 2021

Accepted 11 November 2021

Available online 31 December 2021

<https://doi.org/10.23999/j.dtmp.2021.12.1>

© 2021 OMF Publishing, LLC. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by-nc/4.0/>).

Ukrainian lawyers emphasize that the rules for purchasing and selling a share of the company's charter capital established by law are immutable and universal, and those described in the Charter or Corporate Agreement are somewhat unique, as they may contain special options and options that expand the basic rules (provided they are not contrary to the law).⁴ It is important to know that additional rules or even reservations may be included in the company's Charter, amended or excluded only by a unanimous decision of the General Meeting of Participants of LLC, which was attended by all participants.⁴

Official documents which are necessary for purchasing and selling of a share (parts of share) are:

1. A share purchase and sale agreement (synonyms: *the agreement of assignment of corporate rights* and *the agreement of purchase and sale of corporate rights*).⁴⁻⁶
2. Act of acceptance-transfer of share on notarial forms.⁴
3. Registration Card on making changes to the information on the legal entity contained in the Unified State Register of Legal Entities and Individual Entrepreneurs.
4. Receipt of payment of administrative fee.⁴
5. Decisions of the general meeting on determining the size of shares and the composition of the founders (ie, shareholders).
6. Application for admission to LLC or application for withdrawal from LLC.

In sum, attraction of the investments from new

partners as potential shareholders, can bring to the private practice a new strong impulse for growth but must be performed paying high attention to the details and in a legally correct form.

REFERENCES (6)

1. On limited and additional liability companies [Ukrainian] [document on the internet]; Oct 06, 2021 [cited 2021 Nov 25]. Available from: <https://zakon.rada.gov.ua/laws/show/2275-19#Text>
2. On state registration of legal entities, individual entrepreneurs and public associations [Ukrainian] [document on the internet]; Aug 14, 2021 [cited 2021 Sep 25]. Available from: <https://zakon.rada.gov.ua/laws/show/755-15#Text>
3. Shemeta T. Share in the charter capital of a limited liability company: concept, legal nature [Ukrainian]. *Entrepreneurship Economy Law* 2019;1:55–60.
4. Purchase and sale of corporate rights [Ukrainian] [document on the internet]; Nov 24, 2021 [cited 2021 Nov 25]. Available from: <https://www.expert-in.com.ua/kupivlya-prodazh-korporatyvnykh-prav/>
5. Document designer: a corporate rights (share in the charter capital of LLC) purchase and sale agreement [Ukrainian] [document on the internet]; Nov 24, 2021 [cited 2021 Nov 25]. Available from: <https://instaco.com.ua/create-document/dogovir-kupivli-prodazhu-korporativnih-prav-chastki-v-statutnomu-kapitali-tov>
6. Agreement of purchase and sale share (part of share) in charter capital [Ukrainian] [document on the internet]; Jan 22, 2020 [cited 2021 Nov 25]. Available from: <https://blank.dtkr.ua/blank/537>