

Annex III : Schedule of Ukraine – Text of the 2023 Canada – Ukraine Free Trade Agreement

Introductory Notes

1. For Ukraine, in the interpretation of a reservation in Section A, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapter against which the reservation is taken. To the extent that:

- (a) the *Measures* element is qualified by a specific reference in the *Description* element as so qualified shall prevail over all other elements; and
- (b) the *Measures* element is not so qualified, the *Measures* element shall prevail over all other elements, unless any discrepancy between the *Measures* element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the *Measures* element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

2. For Ukraine, in the interpretation of a reservation in Section B, all elements of the reservation shall be considered.

The *Description* element shall prevail over all other elements.

Headnotes

1. Commitments under this Agreement, in the subsectors listed in this Schedule, are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.

2. To clarify Ukraine's commitment with respect to Article 20.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of Ukraine are subject to non-discriminatory limitations on juridical form.

3. Article 20.10(1)(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 20.5(b) (Market Access for Financial Institutions).

Section A

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Law of Ukraine On Banks and Banking No. 2121-III dated 7 December 2000

Description:

Any foreign bank shall have the right to open a branch in Ukraine, provided:

- (a) the country where the foreign bank has been registered has no admonitions of the respective international bodies on compliance with the international standards in the area of preventing and combating legalization (laundering) of proceeds from crime and terrorism financing;
 - (b) banking supervision in the country where the foreign bank has been registered, taking into account information obtained by the National Bank of Ukraine (NBU), generally complies with the Core Principles for Effective Banking Supervision of the Basel Committee on Banking Supervision, including ensuring effective supervision on a consolidated basis;
 - (c) the legal framework of the country where the foreign bank has been registered, according to the NBU's assessment conducted in line with its procedures, contains no provisions that can impede or limit cooperation between the NBU and the supervisory or controlling authorities of said country, or deter the NBU from its exercise of supervisory functions regarding such branch of the foreign bank;
 - (d) a minimum amount of the assigned capital of the branch for the time of its accrediting is not less than UAH 120 million; and
 - (e) the foreign bank has issued a written commitment to unconditional fulfillment of the obligations arising from its branch activities in the territory of Ukraine.
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Sector:

Financial Services

Subsector:

Insurance and related activities

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Law of Ukraine On Insurance No. 85/96 dated 7 March 1996

Law of Ukraine On Insurance No. 1909 - IX dated 18 November 2021
(effective from 1 January 2024)

Description:

A nonresident insurer is authorized to perform insurance activities in Ukraine, provided:

- (a) the State where a nonresident insurer is registered is not included into the list of offshore zones established in the Ukrainian legislation;
- (b) the nonresident insurer has a permit to provide insurance and reinsurance services according to the laws of the country in which it is registered; and
- (c) the financial resilience rating of the nonresident insurer that is determined by an international rating agency complies with the requirements established by the regulations of the National Bank of Ukraine.

A branch of a nonresident insurer operating in Ukraine must comply with the following requirements:

- (a) at the time of receiving its insurance license, the minimum amount of the assigned capital of the branch must be not less than:
 - (i) UAH 48 million for life insurance companies, reinsurers, and non-life insurance companies with - long-tail liabilities; and
 - (ii) EUR 32 million for other non-life insurance companies; and
- (b) the nonresident insurer has provided in writing its irrevocable commitment to unconditional fulfillment of the obligations arising from activities of its branch in Ukraine.

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Law of Ukraine On Payment Services No. 1591-IX dated 30 June 2021

NBU Regulation On Approval of the Regulation on the Procedure for the Authorization of Activities of Providers of Financial Payment Services and Limited Payment Services No. 217dated 7 October 2022

Description:

A branch of a foreign payment institution or a branch of a foreign electronic money institution must receive accreditation from the National Bank of Ukraine for operating in the territory of Ukraine and can only provide the financial payment services that it is entitled to provide in its own country.

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Law of Ukraine On Payment Services No. 1591-IX dated 30 June 2021
Law of Ukraine On Banks and Banking No. 2121-III dated 7 December 2000

Description:

Only branch of a foreign bank established and operating in the territory of Ukraine in line with the Law of Ukraine On Banks and Banking can be a participant of the National Bank of Ukraine's System of Electronic Payments.

Section B

Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Description:

Ukraine reserves the right to adopt or maintain any measures that are not inconsistent with:

- (a) Ukraine's obligations under Article XVI and Article XVII of the GATS; and
 - (b) Ukraine's Schedule of Specific Commitments under the GATS (GATS/SC/144). [Footnote1](#)
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Existing Measures:

Footnotes

Footnote 1

This reservation applies for 10 years from the date of entry into force of this Agreement.