KINSTELLAR

Bank resolution and collective investment institutions reform:

Ukraine updates the regulatory framework

September 2026



Introduction

On 2 September 2026, the Verkhovna Rada of Ukraine adopted Draft Law No. 13007-d "On Amendments to Certain Laws of Ukraine Concerning the Regulation of Specific Matters Relating to the Activities of the Deposit Guarantee Fund, the National Bank of Ukraine and Collective Investment Institutions" (the "**Law**"). The Law will enter into force upon its signing by the President and official publication in Ukraine's statute books.

The Law significantly updates the rules governing the resolution and liquidation of insolvent banks and introduces a number of changes to the regulation of banks and collective investment institutions ("**CIIs**").

Key aspects of the Law include broader powers for the Deposit Guarantee Fund ("**Fund**") when stepping in to resolve insolvent banks, a stronger position for the National Bank of Ukraine ("**NBU**") as a secured creditor, new rules for handling depositor claims, an increase in the minimum share capital requirement for banks, and more flexible mechanisms for CIIs.

Below are the key changes introduced by the Law.

Key changes:

01 **Changes to the Resolution Procedure for Insolvent Banks**

- Combining Bank Resolution Methods
- Use of a Bridge Bank
- Restructuring Bank Liabilities Before a Sale to an Investor
- Strengthening the NBU's Rights as a Secured Creditor
- Sale and Transfer of an Insolvent Bank's Assets
- New Rules for Depositor and Creditor Claims
- Powers of the Fund During Martial Law

02 **New Bank Share Capital Requirements and Maximum Fines**

03 **New Opportunities for CIIs and Investors**



01

Changes to the Resolution Procedure for Insolvent Banks

Combining Bank Resolution Methods

The Law authorizes the Fund to combine several methods (rather than a single mechanism) for resolving an insolvent bank. In particular, a resolution plan may simultaneously provide for:

- the transfer of assets and liabilities to a receiving bank;
- the use of a bridge bank; and
- the sale of the insolvent bank to an investor.

When selecting a resolution mechanism, the Fund will apply the least-cost principle: the selected method or combination of methods must result in the lowest expected cost to the Fund during its intervention.

The assets and liabilities of an insolvent bank may also be transferred to several receiving banks rather than to a single bank.

At the same time, the Fund will have broader powers to prepare for an intervention before the relevant procedure is formally initiated. At the preparatory stage, the Fund may collect any necessary information and documents, and in particular, prepare a draft resolution plan; it can also take organisational measures to conduct an open tender.

The Law also provides for more active information sharing between the NBU and the Fund in relation to banks that may potentially be designated as problem or insolvent banks.

In certain cases, the period of temporary administration may be extended by an additional three months. This is designed to give the Fund more time to prepare and implement the selected resolution method.

Use of a Bridge Bank

The Law also broadens the circumstances under which a bridge bank may be used. In particular:

the Fund may transfer the assets and liabilities of an insolvent bank to a bridge bank if (i) an open tender did not take place, or (ii) a portion of liquid assets remains after the respective assets have been transferred to another bank;

- the Fund may increase the share capital of a bridge bank prior to its sale to an investor in order to support the bank's operations;
- the period for the sale of a bridge bank, or the transfer of its assets, to one or more receiving banks is extended from one month to one year from the date on which the assets and liabilities of the insolvent bank were first transferred thereto;

- if, within the prescribed period, the bridge bank is not sold to an investor, or no receiving bank is found to take over its assets and liabilities, and/or where confirmed indications of potential instability within Ukraine's banking system are identified, the Fund will submit a proposal to the Cabinet of Ministers of Ukraine for the acquisition of that bank.



Restructuring Bank Liabilities Before a Sale to an Investor

The Law clarifies the mechanism for the reducing share capital and converting the liabilities of an insolvent bank prior to its sale to an investor.

In particular, the Law specifies the liabilities that may be converted into the respective bank shares. These include not only lower-ranking creditor claims, but also:

- other liabilities whose terms expressly provide for the possibility of their extinguishment and conversion; and
- liabilities to creditors and depositors who have voluntarily agreed to their extinguishment and conversion into the shares of the respective bank.

The Fund will maintain a register of such liabilities, and the given bank will be required to notify the relevant creditors in writing of the possibility of extinguishing and/or converting the respective liabilities into shares, followed by the sale of such shares to an investor.

Before the bank is acquired by an investor, the Fund may, in sequence:

- reduce the share capital to the amount of regulatory capital, or to zero if the regulatory capital is zero or negative;
- if the regulatory capital remains negative, extinguish any eligible liabilities in reverse order of creditor priority;
- if necessary, issue new shares or convert eligible liabilities into new shares of the given bank in order to bring its capital into compliance with NBU requirements.

Investors will also be required to reimburse the Fund for any costs associated with guaranteed compensation payments to the depositors of the insolvent bank during the temporary administration period.



Strengthening the NBU's Rights as a Secured Creditor

A separate set of changes concerns the NBU's rights as a pledgee under refinancing loans.

In particular, the NBU will be able to:

- propose individual terms to the Fund for the sale of assets pledged to secure its claims; and
- enforce against pledged property after the Fund approves the register of accepted creditor claims.



Sale and Transfer of an Insolvent Bank's Assets

The Law introduces specific deadlines for transferring funds towards the satisfaction of secured claims. In particular:

- proceeds from the sale of a pledged property must be transferred to the pledgee for priority satisfaction of its claims within 20 business days;

- funds received by the bank in repayment of amounts due under securities and loans pledged to the NBU must be transferred to the NBU for priority satisfaction of its claims within 20 business days of receipt; if such funds are received by the bank during temporary administration, the 20-business-day period will run from the date on which the Fund approved the register of accepted creditor claims.

If pledged property cannot be sold at public auction, the pledgee may retain it at the minimum sale price established at auction, with the corresponding portion of the secured claims set off against the price of the respective property.

If, after all creditor claims have been satisfied, assets remain in a bank being liquidated by the Fund, those assets will be transferred to the bank's shareholders in accordance with the prescribed procedure.

The Law also introduces specific limitation periods for disputes relating to the sale of a bank's assets:

- **30 calendar days** — to challenge the results or minutes of an auction and certain decisions of the Fund relating to a sale; and
- **one year** — for claims seeking to invalidate a transaction entered into as a result of an auction.



New Rules for Depositor and Creditor Claims

Depositor claims will no longer need to be submitted within a general 30-day period, except where concerning the claims of persons affiliated with the given bank.

The respective bank will independently determine the amount owed to each depositor based on its accounting records and include that amount in the relevant priority ranking of creditor claims.

! At the same time, a special rule applies during martial law in Ukraine: if depositor claims included by the Fund in the register of accepted creditor claims based on the bank's balance-sheet data are not submitted by those depositors to the bank at least 60 days before the date on which the liquidation balance sheet and the report on the liquidation procedure were prepared, **such claims will be deemed extinguished.**

The Law also separately regulates the treatment of funds not collected by creditors during liquidation. Such funds will not form part of a bank's residual assets but will instead be transferred to the Fund's current account for subsequent payment to the relevant creditors.



Powers of the Fund During Martial Law

During the period of martial law in Ukraine, the Law empowers the Fund to establish special rules and procedures concerning, in particular, the:

- payment of regular and/or special contributions to the Fund;
- time limits for introducing temporary administration;
- time limits for approving the register of depositor compensation;
- time limits for making payments to depositors;
- time limits and procedure for filing and accepting creditor claims;
- compilation of a register of accepted creditor claims; and
- time limits for satisfying creditor claims.

Accordingly, the Fund will be able to promptly adjust any necessary procedural rules without requiring amendments to the relevant law for each individual case.

02 New Bank Share Capital Requirements and Maximum Fines

The minimum share capital requirement for banks is increased from **UAH 200 million to UAH 250 million**. Banks will have six months to bring their share capital into compliance with the new requirement.

This change is intended to bring Ukrainian requirements more closely into line with Directive 2013/36/EU, which sets a minimum initial capital requirement of EUR 5 million for credit institutions.

The basis for calculating the maximum fine that the NBU may impose on banks is also changed. The maximum fine will now be up to 1% of a bank's regulatory capital, instead of the previous 1% of its share capital. In practice, this may increase the maximum fines that can be imposed on banks.

03 New Opportunities for CIIs and Investors

The Law also updates the regulation of CIIs and expands the available investment and corporate mechanisms. Key changes include:

- the minimum investment amount for an individual investor in a qualified CII is abolished; at the same time, the minimum threshold for individual participation in a venture fund is specified as UAH 1.8 million based on the nominal value of the given securities;
- CIIs of the same type will be permitted to merge, including by absorption, subject to regulatory approval. A diversified CII may not, however, be absorbed into or merged with a non-diversified CII;
- termination of a CII by way of division or transformation into another type of CII will remain prohibited;
- qualified CIIs will be permitted to invest in domestic government bonds;
- the scope for converting CII securities will be expanded, and mechanisms for their consolidation and subdivision will be introduced;
- a closed-end CII that publicly offers securities will, where permitted by the respective regulations, be able to pay accrued dividends to a participant in the form of its own securities at that participant's request.

These changes broaden investment portfolio options and give CIIs additional tools for the reorganisation and management of securities.

Dedicated contacts

For more information, please contact:



Illya Muchnyk
Partner, Head of Banking, Finance & Capital Markets, Kyiv, Firmwide Head of FinTech

illya.muchnyk@kinstellar.com



Oleksandra Poliakova
Managing Associate, Kyiv

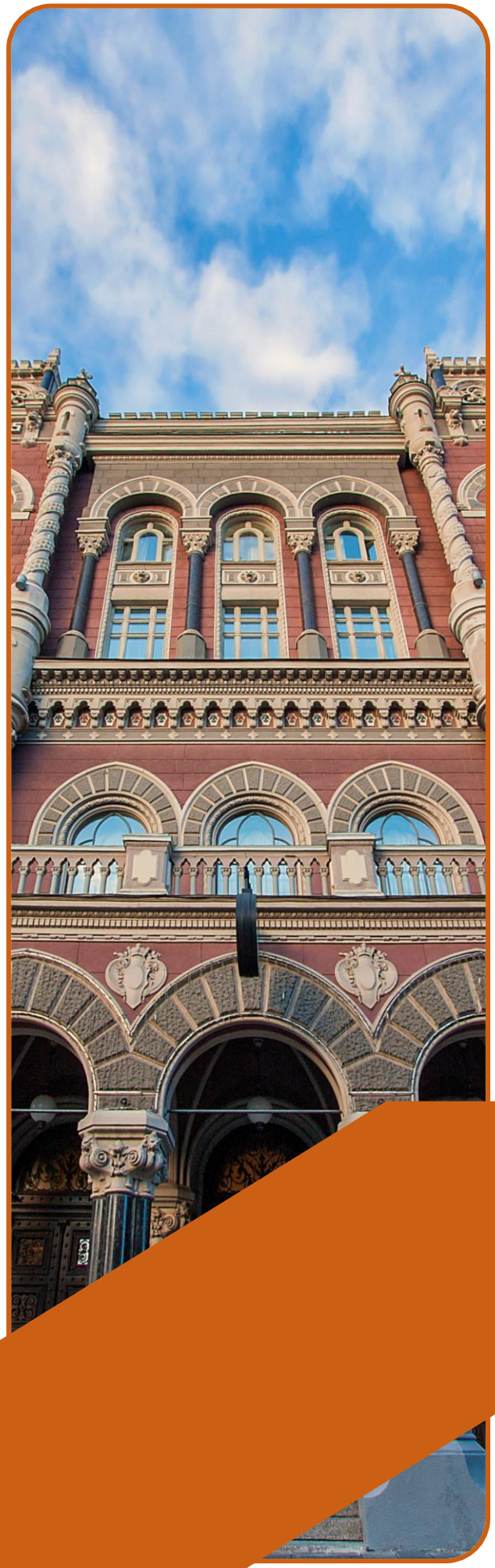
oleksandra.poliakova@kinstellar.com



Zakhar Oprysko
Associate, Kyiv

zakhar.oprysko@kinstellar.com

+380 44 490 9575
www.kinstellar.com
www.ukrainereconstruction.kinstellar.com



The above does not constitute legal advice and does not create an attorney-client relationship between Kinstellar and any recipient. It is meant for marketing purposes only. The material cannot be circulated to any other person or published in any way without our consent. We retain no liability for the contents of this paper however it may be used by any recipient.