

Martial law not expected to impact business operations in Ukraine

Ukraine

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On 26 November 2018, Ukrainian parliament approved and enacted Presidential Decree No. 393 "On Introduction of Martial Law" (the "**Decree**"), but leaders expect that it will be business as usual in Ukraine for the foreseeable future.

The Decree introduces martial law for a period of 30 days in ten regions of Ukraine bordering Russian Federation, Moldova or the sea, including Odesa, Kherson, Kharkiv, Chernihiv, Vinnytsya, Zaporizhzhya, Donetsk, Lugansk, Mykolayiv, and Sumy, as well as in inner waters of Azov-Kerch waterways.

Martial law entered into force on 28 November and will end on 26 December 2018.

Generally, the Decree allows military command to introduce any measures permitted under Ukraine's 2015 Law "On the Legal Regime of Martial Law". The current Decree, however, does not include any particular measures to be implemented with immediate effect, and political and business leaders say the Decree will not affect the ordinary course of business operations in the country in any way.

The Ministry of Economy of Ukraine confirmed that the companies can carry out business as usual. The National Bank of Ukraine confirmed that the martial law will have no effect on banking and financial system of Ukraine. According to the Decree, the Ukrainian Cabinet of Ministers will proceed with approving a detailed *Plan for Implementation of the Martial Law Regime*.

From a legal point of view, the implementation of martial law alone is not considered a *force majeure* circumstance (i.e. an unforeseeable event that prevents the fulfilment of a contract). A party can invoke martial law as *force majeure* only if its implementation prevents it from performing a contractual obligation (e.g. delayed shipment due to traffic restrictions).

CMS is closely monitoring the situation in Ukraine. Feel free to contact one of our local experts directly if you have any questions on how this event might affect your business operations or investment.

For the last few months, we have undergone a significant office renovation and are now really enjoying our brand new office space. If you'd like to see it, you can watch a very short video [here](#) and we hope to welcome you in person very soon.

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