

Article of the Law on "Veteran Entrepreneurship"	Corruption Factor, Gap or Legal Conflict	Institute of Legislative Ideas (LI)
Art. 1	Uncertainty of the term 'veteran entrepreneurship'	Articles 1 – 7 of the bill contain the intention to define who can be a subject of veteran entrepreneurship and the procedure for obtaining/losing the corresponding status. All other provisions of the bill are purely declarative and lack normative content.
Art.2	Uncertainty of the subjects of veteran entrepreneurship	Article 2 of the bill defines the subjects of veteran entrepreneurship, which include, in particular, Ukrainian legal entities that meet the following criterion: "60 percent or more of the members of such a legal entity are war veterans and/or their family members, and/or family members of a deceased (deceased) war veteran, and/or family members of a deceased (deceased) Defender of Ukraine." In Article 4 of the bill and amendments to Article 42 of the Economic Code of Ukraine, the terms "veteran social entrepreneurship" and "social entrepreneurship" are defined identically as "entrepreneurship with the aim of achieving specific socially beneficial material or non-material results aimed at solving social and/or environmental problems of certain categories of individuals or groups of the population." This definition contradicts Article 42 of the Economic Code of Ukraine and Article 1 of the bill, in which obtaining profit is a mandatory characteristic of entrepreneurship and veteran entrepreneurship – "independent, initiative, systematic, at own risk economic activity carried out by business entities (entrepreneurs)/veteran entrepreneurship with the aim of achieving economic and social results and obtaining profit." In addition, it is not possible to clearly determine which specific categories of individuals/groups of the population social (veteran social) entrepreneurship will be aimed at solving problems for. Meanwhile, the accompanying documents to the bill lack properly substantiated justification for the necessity and purpose of introducing social entrepreneurship and veteran social entrepreneurship as separate types of entrepreneurship/veteran entrepreneurship. According to paragraph 10 of Article 9 of the bill, one of the main directions of state policy in the field of veteran entrepreneurship is stimulating the development of veteran social entrepreneurship. However, Articles 8 and 9 of the bill already provide measures to stimulate all veteran entrepreneurship, not just social. Social entrepreneurship is not the subject of regulation of the bill.
Art. 4	Uncertainty of the term 'social entrepreneurship'	The bill does not specify the procedure for acquiring the status of veteran entrepreneurship. The identified legal uncertainty allows the Ministry of Veterans Affairs to act at its own discretion and arbitrarily make decisions on granting or refusing the status of a subject of veteran entrepreneurship.
Art. 5	Unclear procedure for acquiring the status of a subject of veteran entrepreneurship	The lack of clear regulation on the above-mentioned issues allows the Ministry of Veterans Affairs to make discretionary decisions about the loss of the status of a subject of veteran entrepreneurship, which will contribute to the emergence of corruption risks and abuses. Eliminating corruption risks is possible by establishing a clear procedure for the loss of the status of a subject of veteran entrepreneurship in the bill.
Art. 6	Lack of clear procedures for losing the status of a subject of veteran entrepreneurship	The provisions of the bill are purely declarative and lack normative content.
Art.8	Unclear criteria for prioritizing applications for financial support	The provisions duplicate part 1 of Article 6, part 1 of Article 20, part 4 of Article 23, and part 3 of Article 147 of the Economic Code of Ukraine.
Art.9	Lack of clear procedures for providing financial support	According to Article 11 of the bill, "for the purpose of developing a strategy and directions in the field of veteran entrepreneurship, executive authorities and local self-government bodies create advisory, consultative, or other auxiliary bodies on a public basis." However, this provision is not consistent with Articles 14 and 22 of the Law of Ukraine "On Central Executive Authorities," which assign the creation of consultative and advisory bodies to rights, not obligations, as provided by the bill. For the preparation of recommendations regarding the fulfillment of the tasks of the Central Executive Authorities (CEAs), a board of the CEA may be formed as an advisory body. For considering scientific recommendations and conducting professional consultations on key issues of activity, other permanent or temporary consultative, advisory, and other auxiliary bodies may be created within the CEAs.
Art.11	Uncertainty in the formation of advisory bodies	Article 12 of the bill provides, in particular, the following: State support involves the formation of state support programs, state target programs, regional and local target programs, and development programs, which define the conditions and mechanisms of this support. State support programs and state target programs are developed and implemented by the Ministry of Veterans Affairs with the involvement of other central executive authorities and public organizations representing the interests of subjects of veteran entrepreneurship. State support programs are approved by the Cabinet of Ministers of Ukraine in the manner prescribed by law. From the proposed wording of the bill, it is not possible to determine what specific "state support programs" are being referred to and how they differ from state target programs, the legal status of which is regulated by the Law of Ukraine "On State Target Programs"
Art.12	Unclear criteria for receiving state support	According to paragraphs 4 and 6 of Article 13 of the bill, state support for a subject of veteran entrepreneurship is not provided if the business entity: Acknowledges its inability to timely fulfill obligations to creditors due to an unsatisfactory state of financial and economic activity; Received state support in violation of the conditions for its provision or the conditions regarding the targeted use of budget funds, as proven in the prescribed manner. However, the bill does not specify: The criteria for the unsatisfactory state of financial and economic activity; Which authority/regulatory legal act will determine the procedure for proving the violation of the conditions for providing state support. Moreover, it does not take into account that according to part 6 of Article 34 of the Code of Ukraine on Bankruptcy Procedures, in case of inability to fulfill obligations to creditors, the business entity must apply to the commercial court with a statement on the initiation of bankruptcy proceedings.
Art. 13 (4, 6)	Denial of state support	According to paragraph 2 of Article 13 of the bill, state support for a subject of veteran entrepreneurship is not provided if the business entity has debt, particularly in the payment of wages. However, it does not take into account that the non-payment of wages may occur through no fault of the business entity. For example, Article 175 of the Criminal Code of Ukraine establishes criminal liability for the unjustified non-payment of wages for more than one month, committed intentionally.
Art. 13 (2)	Denial of state support due to debt	Absent
Art.13	Lack of clear procedures for restoring the status of a subject of veteran entrepreneurship	Absent
Art. 14, 15	Support for subjects of veteran entrepreneurship at the local level	Absent
Art.16	Lack of mechanisms for granting and denying benefits	Article 16 of the bill provides that the provision of state financial support to subjects of veteran entrepreneurship is carried out by the Ministry of Veterans Affairs through the budgetary institution "Ukrainian Veterans Fund" and other executive authorities, the Verkhovna Rada of the Autonomous Republic of Crimea, local self-government bodies, the Ukrainian Entrepreneurship Support Fund, and other national, regional, and local entrepreneurship support funds. One of the main types of state financial support is "providing financial support, grants, and other types of funding on a non-repayable and non-returnable basis for the implementation of projects by subjects of veteran entrepreneurship." In other words, the bill does not contain a legally complete mechanism for its implementation. Therefore, the adoption of the bill in the proposed wording will not lead to any legal consequences. In connection with the above, the advisability of adopting the bill in the proposed wording, namely the attempt to regulate the issues of veteran entrepreneurship by a separate law, is questionable.
Art.16 (2)	Lack of impact assessment on the budget	The adoption and implementation of the bill will require an increase in expenditures from the State Budget of Ukraine. However, contrary to part 1 of Article 27 of the Budget Code of Ukraine and part 3 of Article 91 of the Rules of Procedure of the Verkhovna Rada of Ukraine, the subject of legislative initiative did not attach a financial and economic justification (including the relevant calculations) to the bill, the adoption of which will lead to changes in budget indicators.
Section VI. FINAL AND TRANSITIONAL PROVISIONS	Preferential rates of fees	Absent

Bestagreement.ai	Conclusion	Who is better?
<p>The term 'veteran entrepreneurship' is defined as 'independent, initiative, systematic, at own risk economic activity'.</p> <p>However, it does not specify which specific types of activities fall under this definition, which may lead to various interpretations and abuses. Additionally, clear criteria for the subjects of veteran entrepreneurship are not defined, which may result in ambiguous interpretation and abuses.</p>	<p>IL: The bill does not have an independent subject of regulation. Bestagreement.ai: The specific types of activities are not defined.</p>	<p>Identical conclusions</p>
<p>Absent</p>	<p>IL: The mentioned provision does not clearly establish the legal meaning of the phrase "members of such a legal entity" – whether it refers to the employees/workforce of the respective legal entity or, for example, its founders/participants/shareholders or members of the executive body/supervisory board of the legal entity.</p>	<p>IL noted only this problem</p>
<p>The term 'social entrepreneurship' is defined as entrepreneurship aimed at achieving specific socially beneficial material or non-material results, aimed at solving social and/or environmental problems of certain categories of individuals or groups of the population.</p> <p>However, the lack of clear criteria for defining what constitutes 'specific socially beneficial results' and which 'categories of individuals or groups of the population' fall under this definition may lead to various interpretations and abuses.</p>	<p>Bestagreement.ai did not understand the problem IL: noted that the provision contradicts the law</p>	<p>IL is better</p>
<p>The procedure for acquiring the status of a subject of veteran entrepreneurship is not clearly defined. The law only states that obtaining the status is voluntary, but it does not provide specific steps or requirements for this process. This may create opportunities for corrupt actions during the registration of subjects of veteran entrepreneurship.</p>	<p>Bestagreement.ai and IL: This will contribute to the emergence of corruption risks</p>	<p>Identical conclusions</p>
<p>Article 6 states that the central executive authority makes decisions on the loss of the status of a subject of veteran entrepreneurship based on information from state authorities, local self-government bodies, state registers, databases, and information systems.</p> <p>However, clear procedures for verifying and confirming this information are not defined, which may lead to subjective decisions and abuses. There is also no provision for the possibility of appealing or challenging the decision to lose status, which may result in abuses by the authorized body and deprive subjects of the right to a fair review of their case. Additionally, a period of 7 days for rectifying issues is too short.</p>	<p>Bestagreement.ai: Absence of a procedure for appealing the decision to lose status IL: Allows the Ministry of Veterans Affairs to make discretionary decisions on status loss</p>	<p>Identical conclusions. However, the conclusion of Bestagreement.ai is more comprehensive with details about the timeframe.</p>
<p>Article 8 states that the state ensures priority opportunities for subjects of veteran entrepreneurship. However, there are no specific criteria for how this prioritization will be carried out, which may lead to subjective decisions and abuses.</p>	<p>IL: Declarative articles Bestagreement.ai: Criteria for receiving financial support are not defined</p>	<p>Bestagreement.ai is better</p>
<p>Article 9 mentions various forms of state support, such as lending, interest rate compensation. However, there are no detailed procedures and criteria for providing this support, which may lead to subjective decisions and abuses.</p>	<p>IL: Duplicate the Economic Code of Ukraine Bestagreement.ai: Absence of mechanisms for provision and control</p>	<p>Different conclusions, but equally important</p>
<p>Article 11 states that executive authorities and local self-government bodies create advisory, consultative, or other auxiliary bodies on a public basis.</p> <p>However, clear criteria and procedures for their formation are not defined, which may lead to abuses and corruption risks. The absence of clear procedures and criteria for creating such bodies may result in non-transparent decisions and potential corruption risks.</p>	<p>IL: Formation of advisory bodies is not mandatory Bestagreement.ai: Criteria for forming advisory bodies are not defined</p>	<p>Different conclusions, but equally important</p>
<p>Article 12 states that state support is provided to subjects of veteran entrepreneurship on the basis of their status. However, the criteria themselves are not detailed, which may lead to subjective interpretation of the criteria. The bill mandates the inclusion of support for subjects of veteran entrepreneurship in local target programs in the manner prescribed by law.</p>	<p>IL: Uncertainty of the terms "state support programs" and "state target programs" Bestagreement.ai: The conclusion about the criteria is incorrect, as the criteria are in Article 2, and according to paragraph 5 of Article 12, state support programs are approved by the Cabinet of Ministers of Ukraine</p>	<p>IL is better</p>
<p>The law provides for the denial of state support to subjects of veteran entrepreneurship who acknowledge their inability to timely fulfill obligations to creditors due to an unsatisfactory state of financial and economic activity.</p> <p>This may pose a risk for subjects who are temporarily experiencing financial difficulties but have the potential for recovery.</p>	<p>Bestagreement.ai and IL: Unjustified denial of support</p>	<p>Identical conclusions</p>
<p>The law provides for the denial of state support to subjects of veteran entrepreneurship in the event of debt on wage payments, payment of the unified social contribution for compulsory state social insurance, insurance contributions for compulsory state pension insurance, or debt to the state (local) budget for more than 6 months.</p> <p>However, it does not take into account the possibility that the debt may arise through no fault of the business entity, but due to external circumstances, such as delays in payments from contractors or force majeure circumstances.</p>	<p>Bestagreement.ai and IL: Non-payment of wages may occur through no fault of the business entity.</p>	<p>Identical conclusions</p>
<p>Article 13 does not provide procedures for restoring the status of a subject of veteran entrepreneurship in case of its loss.</p> <p>This may lead to situations where subjects of veteran entrepreneurship do not have the opportunity to correct violations and regain their status, which poses a risk to their activities.</p> <p>The bill mandates the inclusion of support for subjects of veteran entrepreneurship in local target programs.</p> <p>This may result in giving preference to certain groups of entrepreneurs at the local level, which may lead to subjective decisions and abuses.</p>	<p>Bestagreement.ai noted the absence of a provision for restoring status</p> <p>Bestagreement.ai noted a violation of competition law</p>	<p>Bestagreement.ai is better.</p> <p>Bestagreement.ai is better.</p>
<p>Lack of Mechanisms for Appealing Decisions The bill does not provide mechanisms for appealing decisions regarding the denial of benefits to subjects of veteran entrepreneurship. This may lead to abuses by decision-making bodies and complicate the protection of entrepreneurs' rights.</p> <p>Lack of Clear Criteria for Denial of Support The bill does not specify concrete criteria for denying benefits to subjects of veteran entrepreneurship. This may lead to subjective decisions and corruption risks in determining who is entitled to benefits.</p>	<p>IL: No implementation mechanism for the law Bestagreement.ai: Absence of mechanisms and criteria</p>	<p>Identical conclusions</p>
<p>The bill does not include an impact assessment on the state and local budgets, which may lead to unforeseen expenses and financial risks for the budget.</p>	<p>Bestagreement.ai and IL: Unforeseen expenses</p>	<p>Identical conclusions</p>
<p>Several articles of the bill state that fees for actions related to the protection of rights for industrial designs, trademarks, semiconductor topographies, geographical indications, inventions, and utility models are paid at preferential rates, the amount of which is established by the Cabinet of Ministers of Ukraine.</p> <p>However, clear criteria or mechanisms for setting these rates are not defined, which may lead to non-transparency and corruption risks.</p> <p>This may create unequal conditions for other entrepreneurs who do not have such benefits, which could be considered discriminatory.</p> <p>There is no detailed financial and economic justification for such benefits, which may lead to abuses and non-transparent use of budget funds.</p> <p>The bill does not take into account the possibility of circumstances under which a subject of veteran entrepreneurship may be unable to pay fees through no fault of their own (e.g., due to force majeure circumstances). This may result in unfair denial of benefits.</p>	<p>Bestagreement.ai notes the absence of criteria for determining the size of rates. Discrimination. Force majeure non-payment.</p>	<p>Bestagreement.ai is better.</p>