

# DEBT COLLECTION IN UKRAINE

Part of the  GCSgroup



## **THE MAIN ACTIVITY OF GLOBAL CREDIT SOLUTIONS UKRAINE IS DEBT COLLECTION IN UKRAINE AND ABROAD.**

Corporate debt collection is a complex service which includes few consistent stages.

### **AMICABLE COLLECTION**

This stage includes actions which are directed to make the debtor pay himself:

- Analysis of debt-proving documents;
- Collection of background information about the subject;
- Negotiations with the debtor and his surroundings about the debt recovery;
- Making a schedule of payments, and control of following it;
- Searching for alternative ways of recovery, debt restructuring;

Most of the debts are successfully recovered on this stage.

The work with the corporate debts requires deep knowledge of many legal nuances, local specificity of trade and commerce, therefore our specialists develops individual approach and strategy of work with every debtor considering specific features of the debt.

The usual term of collection in Ukraine is 3 months, during which the debtor begins to pay his debt or repays it fully. In case if schedule of debt repayment is agreed, the period of collection is extended automatically on the period of validity of the schedule.

**TIMELY START OF COLLECTION WHEN THE DEBT IS NO MORE THAN 6 MONTHS OLD SIGNIFICANTLY INCREASES CHANCES ON SUCCESSFUL OUTCOME OF A CASE.**

## LEGAL ACTIONS

Qualified lawyers of GCS Ukraine have big experience in commercial disputes and specialize on debt collection cases. We provide qualified legal services to collect debt via legal actions, if amicable collection has no prospects.

However, before lodging lawsuit we recommend client to estimate the prospects and expediency of legal process by making credit report, which includes information about debtor's solvency.

You may request more detailed information about credit reports at the office of GCS Ukraine.

General limitation of actions in Ukraine is 3 years.

In accordance with law of our country all disputes are to be considered either by Commercial Courts or Ukrainian International Commercial Arbitration Court (ICAC). If contract between Creditor and Debtor contains reference to ICAC the dispute must be considered by ICAC, otherwise case to be viewed by Commercial Court depending on debtor's location on Ukraine.

The direct court fees are usually to be paid by creditor directly:

### ICAC Fees

Claim Amount, USD	Arbitration Fee, USD
up to 10,000	1,800
from 10,001 to 50,000	1,800 + 6% on the amount above 10,000
from 50,001 to 100,000	4,200 + 4% on the amount above 50,000
from 100,001 to 200,000	6,200 + 3% on the amount above 100,000
from 200,001 to 500,000	9,200 + 2% on the amount above 200,000
from 500,001 to 1,000,000	15,200 + 1% on the amount above 500,000
from 1,000,001 to 5,000,000	20,200 + 0,5% on the amount above 1,000,000
from 5,000,000	40,200 + 0,3% on the amount above 5,000,000

### Commercial Court fees

The court fee is 1,5% of the claim amount, but not less than 1 minimum wage stated by law (around 70 USD), and no more than 150 minimum wage (around 8500 USD)

Legal actions last around 3 months in average. Prices for legal services of GCS Ukraine are from 200 USD.

Look up in chapter PRICES for details.

# HOW TO START

## TO START DEBT COLLECTION PROCESS GCS UKRAINE REQUIRES DEBT INFORMATIONS AND THE CONTRACT WITH CLIENT.

### 1) DEBT INFORMATION

List of information required to estimate conditions of debt collection:

- Debtor's name and whether possible registration number;
- Sum of the debt;
- Delay of payment;
- List of documents which prove the debt;
- Information if any attempts to collect the debt through court or other agency were undertaken.

During collection our staff may require more details and/or documents.

If upon client's approval case go legal it is required to provide:

- Power of Attorney for GCS Ukraine lawyers from creditor
- Original of documents in the case proving the debt (contracts between debtor and creditor, acts of rendered services, invoices, CMRs, bills of lading etc).
- Copies of creditor's statutory documents (company's constitution, certificate about registration, trade register excerpt, etc).

### 2) CONTRACT WITH CLIENT

To start collection such documents are required to be signed by client:

- 1) Debt collection contract (in soft and hard copy);
- 2) Power of attorney for representation of client's interests (soft copy for amicable collection and hard copy if case goes legal).

# PRICES

**AMICABLE COLLECTION IS BASED ON THE PRINCIPLE “NO COLLECTION - NO FEE”**

## 1) AMICABLE COLLECTION

Debt amount EUR	Debt amount (Equivalent in USD)	Commission (% from debt collected)
0-2 000	0-2 500	21 %
2000-15 000	2 500 – 20 000	18 %
15 000-30 000	20 000-50 000	15 %
30 000-75000	50 000-100 000	13 %
75000 +	100000 +	10 %

## 2) Legal actions

Services	Costs, EUR	Costs (USD equivalent)
Full support of legal actions*	From 200**	From 200**

\* Includes all expenses except court fees

\*\* Full prepayment

Basic commission rate for successful debt collection is charged in addition to fixed costs in the case of successful debt recovery.

The costs of legal actions may be compensated by debtor upon court decision.

# OUR ADVANTAGES

- **World coverage**

GCS has the widest coverage in the world among the other companies.

- **Technologies**

Implementation of own technologies helps to optimize business-processes and to manage cases effectively.

- **Wide range of services**

We suggest the wide range of services, which opens big capabilities for our clients. Individual product proposal is also applicable.

- **Supporting image of brand**

The stainless image is critical for our company. All our debtors know, that the name GCS is associated with firm but fair debt collection.

- **High standards of quality**

GCS Head office have high requirements to partner offices network and continuously monitor the quality of providing services for clients and interactions with partners and agents. In 2011 GCS Ukraine is included in TOP5 best service offices along with offices in Great Britain, Germany, Netherlands.

- **Managing relationships on all levels**

The good client-management is the key to satisfaction from partnership to both parties. Herewith we are always welcome feedback from client, trying to build "win-win" strategy with our clients.

- **Ethics**

We maintain strict standards of confidentiality and information security.



# GCS Ukraine

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 GCS **credit**

 GCS **risk**

 GCS **tech**

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