**Draft Law of Ukraine *On Amending Certain Legislative Acts of Ukraine on a Simpler Raising of Investments and the Introduction of New Financial Instruments*, Reg. No. 2284 dated 10/17/2019**

Article 22. Interest-bearing bonds for environmental investments (green bonds).

1. Interest-bearing bonds for environmental investments (green bonds) are bonds issued by an entity that is implementing or financing an environmentally friendly project. The proceeds of interest-bearing bonds for environmental investments (green bonds) are used to finance and/or refinance the costs of environmentally friendly projects.
2. An environmentally friendly project is a project in alternative energy, energy conservation, waste utilization and processing, the implementation of environmentally friendly transport, the efficient use of land resources, the conservation of flora, fauna, and water resources, climate change adaptation, and any other project designed for environmental protection, the implementation of environmental standards, the reduction of emissions.

Environmentally friendly projects funded by the state and local budgets are selected and supported in a manner determined by the Cabinet of Ministers of Ukraine.

1. Interest-bearing bonds for environmental investments (green bonds) may be issued by an entity that is implementing or financing an environmentally friendly project in a manner determined by a regulation of the National Securities and Stock Market Commission in consultation with the central government authority implementing public policy on the efficient use of fuels and energy, energy conservation, renewable energy, and alternative fuels.

For the purposes of this Law, the following are understood to be entities implementing an environmentally friendly project:

The Council of the Autonomous Republic of Crimea or a territorial community, represented by a representative body of local government, provided that a decision is made to implement an environmentally friendly project, as of the date that the decision in question comes into force;

the State of Ukraine, represented by competent authorities, provided that a decision is made to implement an environmentally friendly project or a special-purpose government program is adopted to make environmental (green) investments, as of the date that the decision in question comes into force;

a legal entity of private law, including within projects implemented under a public–private partnership contract.

For the purposes of this Law, the following are understood to be entities financing an environmentally friendly project:

a specialized financial institution established by the Government of Ukraine or any other specially authorized body, in situations described in the law that determines its legal status;

a legal entity of private law, including a bank, a financial institution;

international financial institutions.

If interest-bearing bonds for environmental investments (green bonds) are issued by the Verkhovna Rada of the Autonomous Republic of Crimea or a territorial community represented by a representative body of local government, the issuance of interest-bearing bonds of environmental investments (green bonds) shall be subject to the rules of this Law regulating the issuance of local government bonds subject to the requirements set forth in budget laws, unless otherwise required by the provisions of this Article.

If interest-bearing bonds for environmental investments (green bonds) are issued by the State of Ukraine represented by competent authorities, the issuance of interest-bearing bonds of environmental investments (green bonds) shall be subject to the rules of this Law regulating the issuance of domestic and foreign government bonds subject to the requirements set forth in budget laws, unless otherwise required by the provisions of this Article.

If interest-bearing bonds for environmental investments (green bonds) are issued by an international financial institution, the issuance of environmental investment bonds (green bonds) shall be subject to the rules of this Law regulating the issuance of bonds by international financial institutions.

1. The entity implementing an environmentally friendly project funded by the issuance of interest-bearing bonds for environmental investments (green bonds) may not do anything that may result in early termination of, cancellation of, lien on, or any other loss of rights or interests to and in the environmentally friendly project and/or the rights or interests to and in the environmentally friendly project.
2. The implementation of one environmentally friendly project may involve several issuances of interest-bearing bonds for environmental investments (green bonds), provided that their total does not exceed the cost estimate of the environmentally friendly project, which must be identified in the decision to implement the environmentally friendly project.

The entity financing an environmentally friendly project may carry out one issuance of interest-bearing bonds for environmental investments (green bonds) to finance several environmentally friendly projects.

1. The entity implementing or financing an environmentally friendly project shall ensure that the proceeds raised from investors to finance and/or refinance the cost of environmentally friendly projects are used for their intended purpose.
2. If interest-bearing bonds for environmental investments (green bonds) are issued by an entity implementing an environmentally friendly project, the bond prospectus shall, in addition to the requirements of Article 94 of this Law, include a description of the project, its technical and economic figures, the period of implementation, the calculation of the environmental impact that the project implementation is expected to make.
3. If interest-bearing bonds for environmental investments (green bonds) are issued by an entity financing environmentally friendly projects, the bond prospectus shall, in addition to the requirements of Article 94 of this Law, include a description of projects funded by the offering of bonds, the procedure for the evaluation and selection of projects to be funded, the procedure for calculation of the environmental impact that the implementation of projects is expected to make.
4. An annual statement on the issuer of interest-bearing bonds for environmental investments (green bonds) shall, in addition to the requirements of Article 122 of this Law, include information on progress with the environmentally friendly project and the amount raised through the issuance of interest-bearing bonds for environmental investments (green bonds), and funds actually used for implementing or financing environmentally friendly projects.